

**UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT**

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/>		5. LEASE DESIGNATION AND SERIAL NO. UTU-0778
1b. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER <input type="checkbox"/> SINGLE ZONE <input type="checkbox"/> MULTIPLE ZONE <input checked="" type="checkbox"/>		6. IF INDIAN, ALLOTTEE OR TRIBE NAME N/A
2. NAME OF OPERATOR ROSEWOOD RESOURCES, INC.		7. UNIT AGREEMENT NAME ROCK HOUSE UNIT
3. ADDRESS OF OPERATOR P.O. BOX 1668, VERNAL, UTAH 84078		8. FARM OR LEASE NAME ROCK HOUSE
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)* At Surface 1545' FNL 1964' FWL SE NW SEC 11, T11S R23E At proposed Prod. Zone 880' FNL 1225' FEL NE NE SEC 11 T11S R23E <i>4415344N 644330E</i> <i>4415547N 644978E</i>		9. WELL NO. #33
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* APPROXIMATELY 33.2 MILES SOUTH OF BONANZA, UTAH		10. FIELD AND POOL OR WILDCAT ROCK HOUSE
15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any) 880'	16. NO. OF ACRES IN LEASE 6230	11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA NE NE SEC 11 T11S R23E
18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR ON THIS LEASE, FT. 1800' +/-	19. PROPOSED DEPTH 5100' TVD	12. County UINTAH
21. ELEVATIONS (Show whether DF, RT, GR, etc.) 5627' UNGRADED		13. STATE UTAH
22. APPROX. DATE WORK WILL START* UPON APPROVAL		

23. **PROPOSED CASING AND CEMENTING PROGRAM**

SIZE OF HOLE	SIZE OF CASING	WEIGHT/FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12 1/4"	9 5/8"	36#	500'	350sx - CIRC. TO SURFACE
7 7/8"	4 1/2"	11.6#	5100' TVD	1160 sx - 2 STAGE TO SURFACE

Rosewood Resources, Inc. proposes to drill a directional well to 5100 'TVD to test the Wasatch and Mesa Verde formations (off of the existing Rockhouse #21 pad). If productive, casing will be set and the well completed. If dry, the well will be plugged and abandoned as per BLM & State of Utah requirements.

See Rockhouse #21 APD attached.

CONFIDENTIAL - TIGHT HOLE

Please be advised that Rosewood Resources, Inc. is considered to be the Operator of the above mentioned well. Rosewood Resources, Inc. agrees to be responsible under the terms and conditions of the lease for the operations conducted upon the lease lands.

Bond coverage for this well is provided by Nationwide Bond no. MT-0627. The principal is Rosewood Resources, Inc. via surety consent as provided for in 43 CFR 3104.2

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM : If proposal is to deepen or plug back, give data on present productive zone and proposed new productive zone.
If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24. SIGNED Jill Henrie TITLE Administrative Assistant DATE 10/05/2001

(This space for Federal or State office use)

PERMIT NO. 43-047-34372 APPROVAL [Signature]
Application approval does not warrant or certify that the applicant holds legal or equitable rights in the subject lease which would entitle the applicant to conduct operations thereon.

CONDITIONS OF APPROVAL, IF ANY:

APPROVED BY [Signature] TITLE BRADLEY G. HILL DATE 11-08-01
RECLAMATION SPECIALIST III
***See Instructions On Reverse Side**

Federal Approval of this Action is Necessary

RECEIVED

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

NOV 01 2001

DIVISION OF
OIL, GAS AND MINING

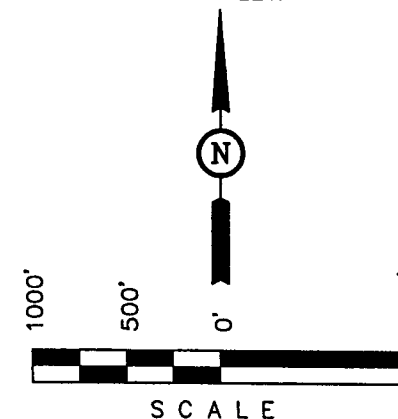
T11S, R23E, S.L.B.&M.

ROSEWOOD RESOURCES, INC.

Well location, ROCK HOUSE #33, located as shown in the SE 1/4 NW 1/4 of Section 11, T11S, R23E, S.L.B.&M. Uintah County, Utah.

BASIS OF ELEVATION

SPOT ELEVATION IN THE NW 1/4 OF SECTION 27, T11S, R23E, S.L.B.&M. TAKEN FROM THE ARCHY BENCH SE, QUADRANGLE, UTAH, UTAH COUNTY, 7.5 MINUTE QUAD. (TOPOGRAPHIC MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 6366 FEET.



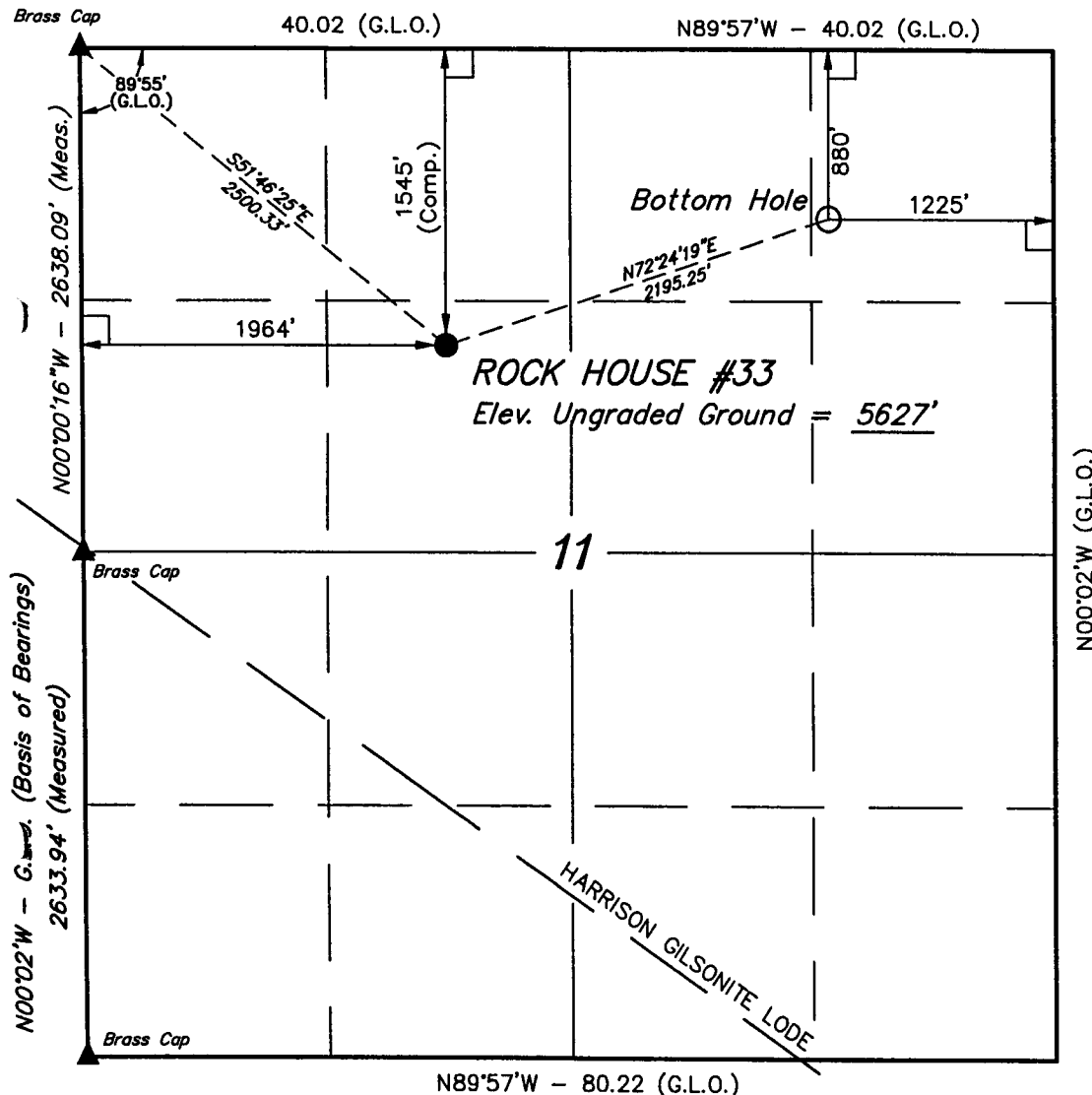
CERTIFICATE

THIS IS TO CERTIFY THAT THE ABOVE PLAT WAS PREPARED FROM FIELD NOTES OF ACTUAL SURVEYS MADE BY ME OR UNDER MY SUPERVISION AND THAT THE SAME ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

No. 161319
ROBERT E. KAY
 REGISTERED LAND SURVEYOR
 REGISTRATION NO. 161319
 STATE OF UTAH

UTAH ENGINEERING & LAND SURVEYING
85 SOUTH 200 EAST - VERNAL, UTAH 84078
(435) 789-1017

SCALE 1" = 1000'	DATE SURVEYED: 4-12-01	DATE DRAWN: 4-16-01
PARTY S.H. W.W. C.G.	REFERENCES G.L.O. PLAT	
WEATHER COOL	FILE ROSEWOOD RESOURCES, INC.	



LEGEND:

- └─┘ = 90° SYMBOL
- = PROPOSED WELL HEAD.
- ▲ = SECTION CORNERS LOCATED.

LATITUDE = 39°52'40"
 LONGITUDE = 109°18'44"

ROSEWOOD RESOURCES, INC.
ROCK HOUSE #33
LOCATED IN UINTAH COUNTY, UTAH
SECTION 11, T11S, R23E, S.L.B.&M.

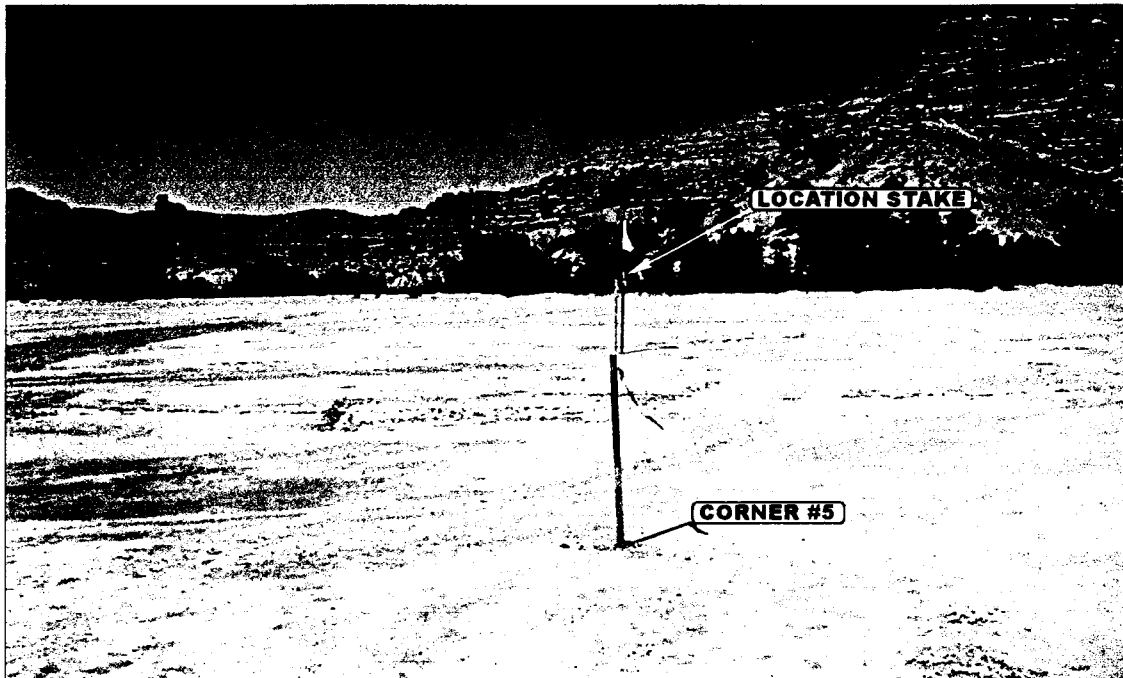


PHOTO: VIEW FROM CORNER #5 TO LOCATION STAKE

CAMERA ANGLE: NORTHWESTERLY



PHOTO: VIEW FROM BEGINNING OF EXISTING ACCESS

CAMERA ANGLE: SOUTHWESTERLY



- Since 1964 -

E&L Uintah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
435-789-1017 uels@uelsinc.com

LOCATION PHOTOS

9 12 01
MONTH DAY YEAR

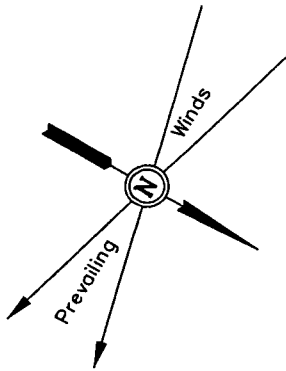
PHOTO

TAKEN BY: D.K.

DRAWN BY: P.M.

REVISED: 00-00-00

ROCK HOUSE #33
SECTION 11, T11S, R23E, S.L.B.&M.
1545' FNL 1964' FWL



The site plan illustrates the layout of a well pad with the following features and specifications:

- Boundaries and Elevation:** The pad is bounded by elevations $F-0.8'$ (El. 25.8'), $F-0.9'$ (El. 25.7'), $F-6.1'$ (El. 20.5'), and $C-12.1'$ (El. 38.7'). A proposed re-route is shown with elevations $F-10.7'$ (El. 15.9') and $C-7.5'$ (El. 34.1').
- Structures and Equipment:**
 - Wellhead:** #21 Well Head with a riser and 35' height.
 - Pipelines:** Multiple pipelines including a CATWALK, PIPE RACKS, and a berm.
 - Storage:** MUD TANKS, RESERVE PITS (10' deep, 50' wide, 150' long), FUEL, and a STORAGE TANK.
 - Other Buildings:** DOG HOUSE, WATER, PUMP, MUD SHED, HOPPER, POWER, TOOLS, TRASH, and a TRAILER.
 - Infrastructure:** ANCHOR, RIG, and various smaller structures like a TOILET and FUEL tank.
- Access and Orientation:**
 - Existing Road:** Located on the right side of the pad.
 - Proposed Re-Route:** A new road alignment shown on the right.
 - Approx. Toe of Fill Slope:** Indicated on the right side.
- Stationing:** The plan includes stationing markers for $Sta. 0+00$, $Sta. 0+50$, $Sta. 1+50$, and $Sta. 3+25$.

Elev. Ungraded Ground at Location Stake = 5626.6'

UINTAH ENGINEERING & LAND SURVEYING
85 So. 200 East • Vernal, Utah 84078 • (435) 789-1017

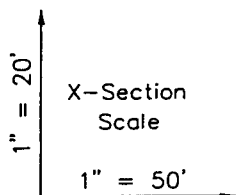
ROSEWOOD RESOURCES, INC.

TYPICAL CROSS SECTIONS FOR

ROCK HOUSE #33

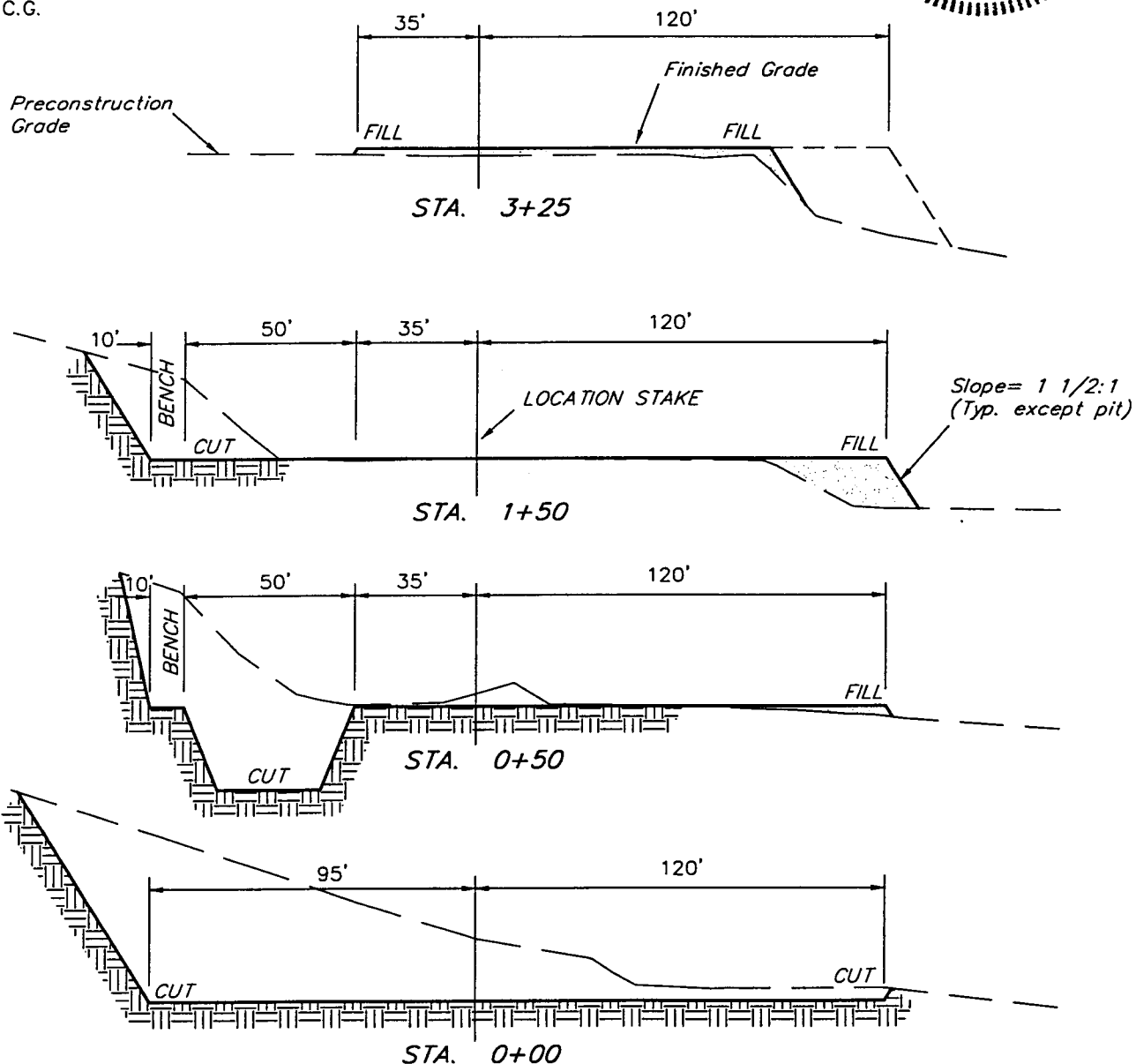
SECTION 11, T11S, R23E, S.L.B.&M.

1545' FNL 1964' FWL



DATE: 9-14-01

Drawn By: C.G.



EXCESS MATERIAL AFTER
5% COMPACTION = 3,800 Cu. Yds.

Pit Backfill = 1,050 Cu. Yds.
(1/2 Pit Vol.)

EXCESS UNBALANCE = 2,750 Cu. Yds.
(After Rehabilitation)

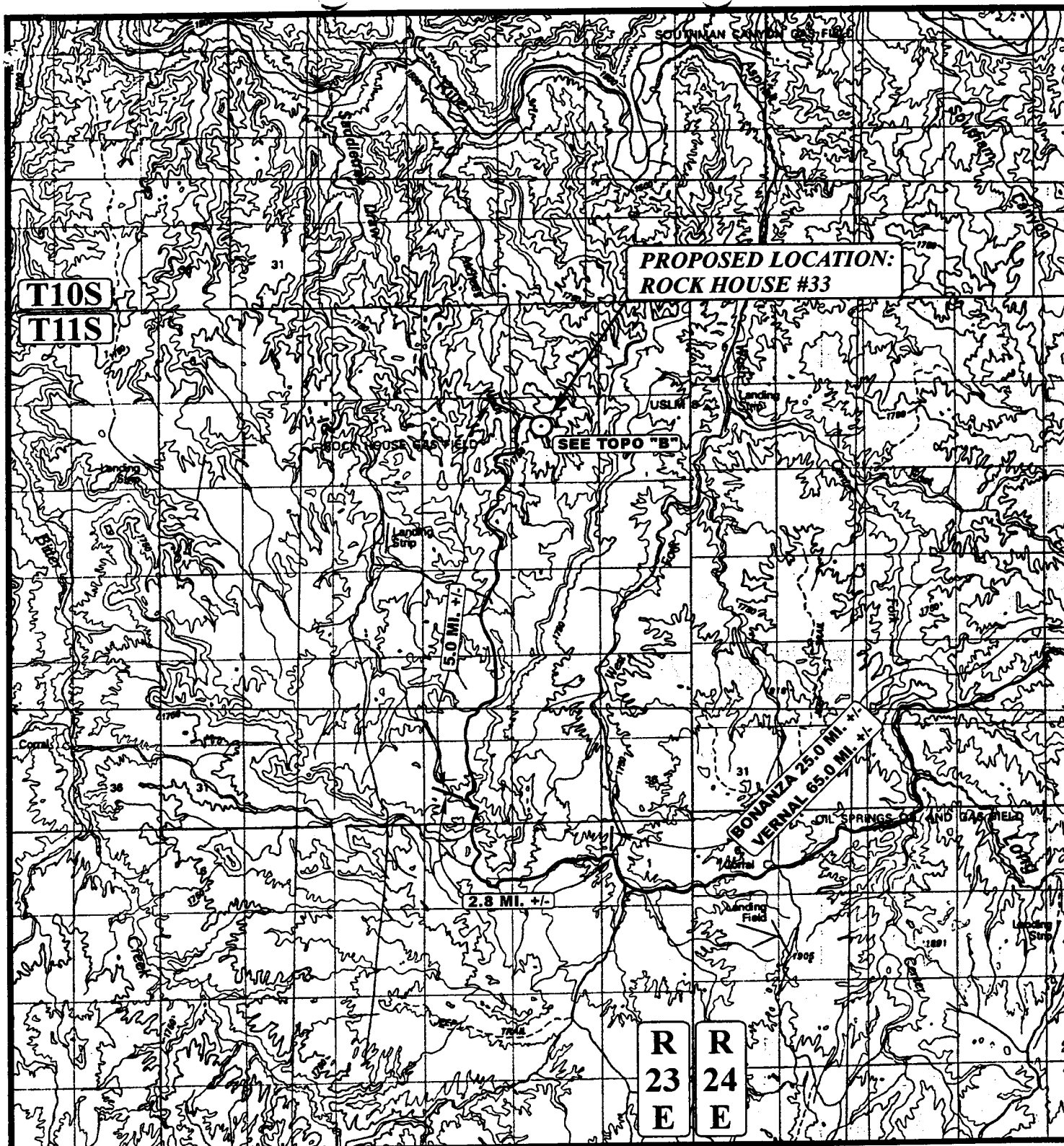
APPROXIMATE YARDAGES

TOTAL CUT = 7,200 CU.YDS.

FILL = 3,230 CU.YDS.

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85 So. 200 East • Vernal, Utah 84078 • (435) 789-1017



LEGEND:

- PROPOSED LOCATION**

N



ROSEWOOD RESOURCES INC.

ROCK HOUSE #33

SECTION 11, T11S, R23E, S.L.B.&M.

1545' FNL 1964' FWL

UEIS

Utah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
(801) 789-1017 * FAX (801) 789-1813
Email: uels@easilink.com

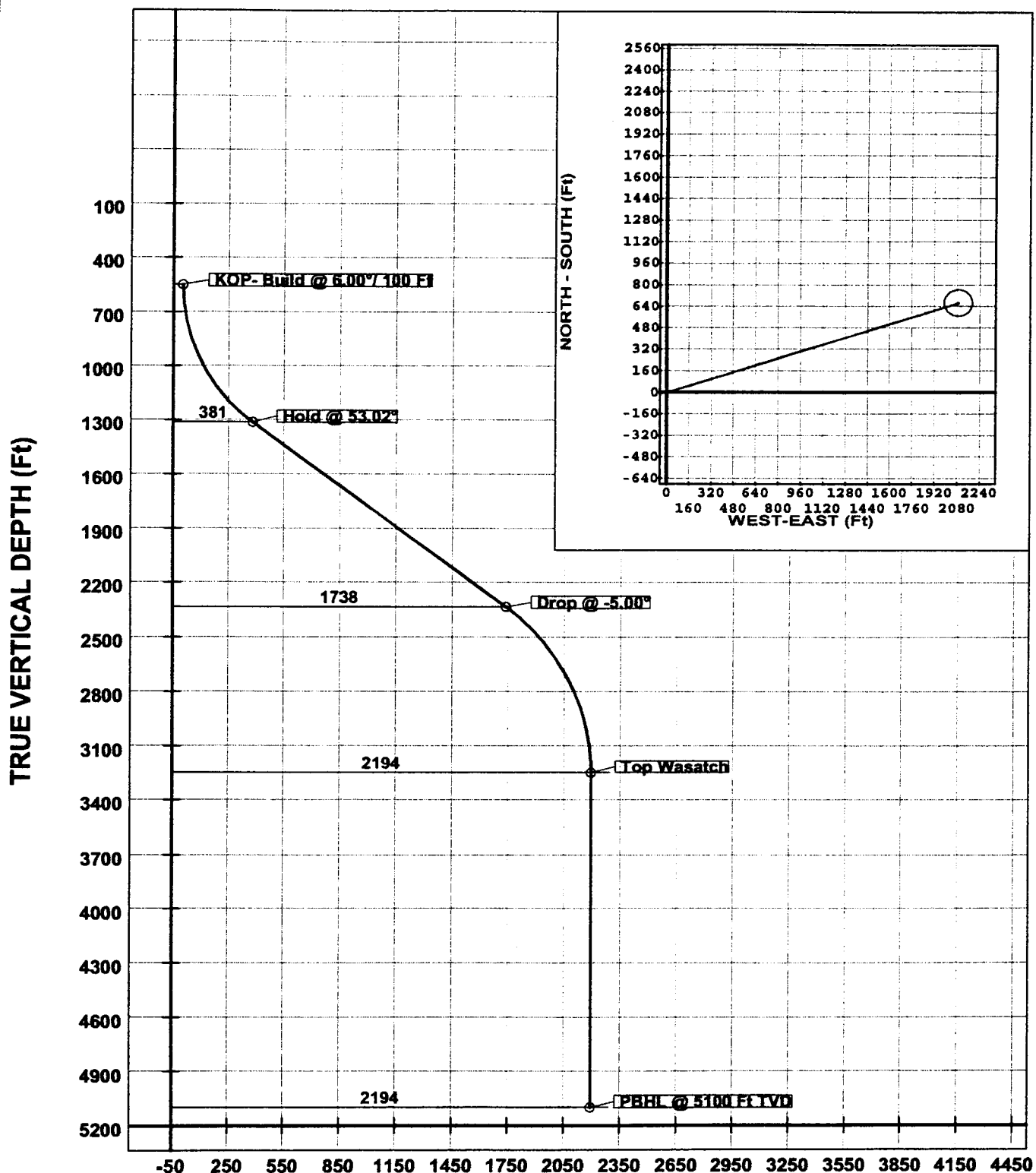
**TOPOGRAPHIC
MAP**

9	12	01
MONTH	DAY	YEAR

SCALE: 1 : 100,000	DRAWN BY: P.M	REVISED: 00-00-00
--------------------	---------------	-------------------

A
TOPO

TOPO





Weatherford
Malloy WORLDWIDE SERVICES

Job Number: State/Country: Ut,Uintah
 Company: Rosewood Resources, Inc Declination:
 Lease/Well: Rock House #33 Pad#21 Grid:
 Location: Sec 11,T11S,R23E File name: C:\SURVEY\ROSEWO-1\RH#33.SVY
 Rig Name: Date/Time: 17-Sep-01 / 16:02
 RKB: SHL:1545' FSL & 1964' FWL Sec 11 Curve Name: Build & Hold
 G.L. or M.S.L.: BHL: 880' FNL & 1225' FEL Sec 11

WINSERVE SURVEY CALCULATIONS
 Minimum Curvature Method
 Vertical Section Plane 72.36
 Vertical Section Referenced to Wellhead
 Rectangular Coordinates Referenced to Wellhead

Measured Depth FT	Incl Angle Deg	Drift Direction Deg	True Vertical Depth	N-S FT	E-W FT	Vertical Section FT	Course Length FT	CLOSURE Distance FT	Direction Deg	Dogleg Severity Deg/100
KOP- Build @ 6.00°/ 100 Ft										
550.00	.00	40.11	550.00	.00	.00	.00		.00	.00	.00
650.00	6.00	72.36	649.82	1.59	4.99	5.23	100.00	5.23	72.36	6.00
750.00	12.00	72.36	748.54	6.32	19.89	20.87	100.00	20.87	72.36	6.00
850.00	18.00	72.36	845.09	14.16	44.54	46.74	100.00	46.74	72.36	6.00
950.00	24.00	72.36	938.40	25.02	78.68	82.56	100.00	82.56	72.36	6.00
1050.00	30.00	72.36	1027.46	38.77	121.92	127.94	100.00	127.94	72.36	6.00
1150.00	36.00	72.36	1111.29	55.27	173.80	182.38	100.00	182.38	72.36	6.00
1250.00	42.00	72.36	1188.97	74.34	233.74	245.28	100.00	245.28	72.36	6.00
1350.00	48.00	72.36	1259.65	95.76	301.10	315.96	100.00	315.96	72.36	6.00
Hold @ 53.02°										
1433.73	53.02	72.36	1312.88	115.34	362.66	380.56	83.73	380.56	72.36	6.00
1533.73	53.02	72.36	1373.03	139.55	438.79	460.45	100.00	460.45	72.36	.00
1633.73	53.02	72.36	1433.18	163.76	514.92	540.34	100.00	540.34	72.36	.00
1733.73	53.02	72.36	1493.33	187.97	591.05	620.22	100.00	620.22	72.36	.00
1833.73	53.02	72.36	1553.47	212.18	667.18	700.11	100.00	700.11	72.36	.00
1933.73	53.02	72.36	1613.62	236.40	743.32	780.00	100.00	780.00	72.36	.00
2033.73	53.02	72.36	1673.77	260.61	819.45	859.89	100.00	859.89	72.36	.00
2133.73	53.02	72.36	1733.92	284.82	895.58	939.78	100.00	939.78	72.36	.00
2233.73	53.02	72.36	1794.07	309.03	971.71	1019.67	100.00	1019.67	72.36	.00
2333.73	53.02	72.36	1854.21	333.24	1047.84	1099.56	100.00	1099.56	72.36	.00
2433.73	53.02	72.36	1914.36	357.46	1123.97	1179.44	100.00	1179.44	72.36	.00
2533.73	53.02	72.36	1974.51	381.67	1200.10	1259.33	100.00	1259.33	72.36	.00
2633.73	53.02	72.36	2034.66	405.88	1276.24	1339.22	100.00	1339.22	72.36	.00
2733.73	53.02	72.36	2094.81	430.09	1352.37	1419.11	100.00	1419.11	72.36	.00
2833.73	53.02	72.36	2154.95	454.30	1428.50	1499.00	100.00	1499.00	72.36	.00

RECEIVED

NOV 01 2001

DIVISION OF
OIL, GAS AND MINING

10-30-01

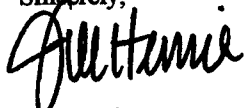
State of Utah
Division of Oil Gas and Mining
1594 West North Temple, Ste. 1210
Salt Lake City, UT 84114-5801

Attn: Leisha Cordova

Dear Leisha;

Here is the information you requested per our telephone conversation on 10-30-01 for the water well permit numbers, ect. Also enclosed are the new cover sheets for the RH 32, 33, 31, & 36 & new drilling prognosis for each well. If you could please replace the old with the new, that would be great. If you need any more info please feel free to give me a call at (435) 789-0414 extension #10. Thank you for all of your help with this matter.

Sincerely,



Jim Henrie
Administrative Assistant
Rosewood Resources, Inc.

USGS Water Well #GT125
NW/NW Sec 1, T12S, R22E
Uintah County, Utah

Pond Located :
SW/SW Sec 36, T11S R22E
Uintah County, Utah

Water Right Numbers:
USGS Well : 49-1620
Pond : 19-1621

Rockhouse #5A Water Well
Permit #49-1547

WORKSHEET
APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 11/01/2001

API NO. ASSIGNED: 43-047-34372

WELL NAME: ROCK HOUSE U 33

OPERATOR: ROSEWOOD RESOURCES INC (N7510)

CONTACT: JILL HENRIE

PHONE NUMBER: 435-789-0414

PROPOSED LOCATION:

SENE
SENW 11 110S 230E
SURFACE: 1545 FNL 1964 FWL
BOTTOM: 0880 FNL 1225 FEL
UINTAH
ROCK HOUSE (670)

LEASE TYPE: 1 - Federal

LEASE NUMBER: UTU-0778

SURFACE OWNER: 1 - Federal

PROPOSED FORMATION: WSMVD

INSPECT LOCATN BY: / /

Tech Review	Initials	Date
Engineering		
Geology		
Surface		

RECEIVED AND/OR REVIEWED:

☒ Plat
☒ Bond: Fed[1] Ind[] Sta[] Fee[]
(No. MT-0627)
☒ Potash (Y/N)
☒ Oil Shale 190-5 (B) or 190-3 or 190-13
☒ Water Permit
(No. 49-1620)
☒ RDCC Review (Y/N)
(Date:)
☒ Fee Surf Agreement (Y/N)

LOCATION AND SITING:

☐ R649-2-3. Unit ROCK HOUSE
☐ R649-3-2. General
Siting: 460 From Qtr/Qtr & 920' Between Wells
☒ R649-3-3. Exception
☐ Drilling Unit
Board Cause No: _____
Eff Date: _____
Siting: _____
☒ R649-3-11. Directional Drill

COMMENTS:

STIPULATIONS:

1-Fed. Approval

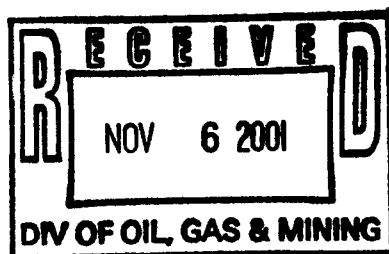


SPACING: R649-3-11/DIR DRL



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ONSHORE ORDER NO. 1
Rosewood Resources, Inc.
Rock House #33 (Directional)
880' FNL 1225' FEL
NE NE Sec. 11, T11S, R23E
Uintah County, Utah

CONFIDENTIAL- TIGHT HOLE

Lease No. UTU-0778

DRILLING PROGRAM

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- l. A schematic facilities diagram as required by 43 CFR 3162.7-5 (b.9.d.), shall be submitted to the appropriate District Office within sixty (60) days of installation or first production, whichever occurs first. All site security regulations as specified in Onshore Order No. 3 shall be adhered to. All product lines entering and leaving hydrocarbon storage tanks will be effectively sealed in accordance with 43 CFR 3162.7-5 (b.4.)**
- m. A first production conference will be scheduled within 15 days after receipt of the first production notice.**
- n. No well abandonment operations will commence without prior approval of the AO. In the case of newly drilled dry holes or failures, and in emergency situations, oral approval will be obtained from the SO. A "Subsequent Report of Abandonment" Form 3160-5 will be filed with the AO within 30 days following abandonment operations. This report will indicate where plugs were placed and the current status of the surface restoration. Final abandonment will not be approved until the surface reclamation work required by the approved APD or approved abandonment notice has been completed to the satisfaction of the AO or the surface managing agency.**
- o. Pursuant to Onshore Oil and Gas Order No. 1, lessees and operators have the responsibility to see their exploration, development, production and construction operations are conducted in a manner which conforms with applicable Federal, State and Local laws and regulations.**

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DRILLING PROGRAM

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- f. In accordance with Onshore Oil and Gas Order No. 1, this well will be reported on Form 3160-6 "Monthly Report of Operations", starting with the month in which operations commence and continue each month until the well is physically plugged and abandoned. This report will be filed with the Vernal BLM District Office, 170 South 500 East, Vernal, Utah 84078
- g. **Immediately Report:** Spills, blowouts, fires, leaks, accidents or any other unusual occurrences will be promptly reported in accordance with the requirements of NTL-3A or its revision.
- h. A Completion Rig will be moved in following drilling operations. All conditions of this approved plan are applicable during the completion operations.
- i. Should the well be successfully completed for production, the AO will be notified when the well is placed in a producing status. Such notification will be sent by telegram or other written communications, not later than 5 days following the date the well is put on line.
- j. Pursuant to Onshore Order no. 7, with the approval of the District Engineer, produced water may be temporarily disposed of into unlined pits for a period of up to 90 days. During the period so authorized, an application for a permanent disposal method, along with the required water analysis and other information, must be submitted to the District Engineer.
- k. Pursuant to NTL-4A, lessees or operators are authorized to vent/flare gas during initial well evaluation tests, not exceeding 30 days or the production of 50 MMCF of gas, whichever occurs first. An application must be filed with the District Engineer and approval received, for any venting/flaring of gas beyond the initial 30 day period.

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Uintah County, Utah

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DRILLING PROGRAM

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geologic summaries, sample description and all pertinent information compiled during the drilling, completion and/or workover operations.

- e. The anticipated completion program will be to test prospective zones in the Mesa Verde and Wasatch Formations by perforating and fracture stimulation.**
- f. Daily drilling and completion progress reports shall be submitted to the Vernal Office on a weekly basis.**

7. Abnormal Temperatures or Pressures

- a. The expected bottom hole pressure is 3000 psi**
- b. No hydrogen sulfide gas, no abnormal pressures or temperatures are anticipated.**

8. Anticipated Starting Dates and Notification of Operations

- a. Drilling will commence November/December 2001.**
- b. It is anticipated that the drilling of this well will take approximately 10 days.**
- c. The BLM in Vernal, Utah will be notified of anticipated dates to begin road & location construction and spud date.**
- d. No location will be constructed or moved without approval from the AO. If well is plugged or suspended, prior approval from the AO must be obtained and notification given before resuming operations.**
- e. The spud date will be reported orally to the AO within 48 hours after spudding. If well is spud on a weekend or holiday, the report will be submitted the following regular work day. Follow oral report with Sundry Notice.**

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CONFIDENTIAL- TIGHT HOLE

Lease No. UTU-0778

DRILLING PROGRAM

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5. Evaluation Program

The anticipated type and amount of testing and coring are as follows:

- a. No Drill Stem Tests are anticipated, however, if DST's are run, the following requirements will be adhered to:**

Initial opening of DST tools shall be restricted to daylight hours unless specific approval to start during other hours is obtained from the AO. However, DST's may be allowed to continue at night if the test was initiated during daylight hours and the rate of flow is stabilized and if adequate lighting is available (i.e. lighting which is adequate for visibility and vapor-proof for safe operations). Packers can be released, but tripping shall not begin before daylight, unless prior approval is obtained from the AO. Closed chamber DST's may be accomplished day or night.

A DST that flows to the surface with evidence of hydrocarbons shall be reversed out of the test string under controlled surface conditions. This would involve some means for reverse circulation.

Separation equipment required for the anticipated recovery shall be properly installed before a test starts.

All engines within 100 feet of the wellbore that are required to run during the test shall have spark arresters or water cooled exhausts.

- b. An AIT/GR/CDL/ML/GR will be run from the surface casing to T.D.**
- c. No cores will be run.**
- d. Whether the well is completed as a dry hole or a producer, a "Well Completion and Recompletion Report and Log" (Form 3160-4) will be submitted not later than 30 days after completion of the well or after completion of operations, in accordance with 43 CFR 3164. Two copies of all logs, core descriptions, core analyses, well test data,**

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CONFIDENTIAL- TIGHT HOLE

Lease No. UTU-0778

DRILLING PROGRAM

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5. Mud Program

- a. The proposed circulating mediums to be used during drilling are as follows:

<u>Interval</u>	<u>Mud Type</u>	<u>Mud Wt.</u>	<u>Visc.</u>	<u>F/L</u>	<u>PH</u>
0-500'	Air/Clear Water	8.3 ppg	---	N/C	---
500-2000'	Clear Water	8.3 ppg	---	N/C	---
2000-5100'	Water/Gel	8.4-9.7	30-40	8	---

There will be sufficient mud on location to control a kick should one occur.

A mud test will be performed every 24 hours after mudding up to determine, as applicable: density, viscosity, gel strength, static filtration loss and PH.

- b. Mud monitoring equipment to be used is as follows:
1. Periodic checks will be made each tour of the mud system. The mud level will be monitored visually.
- c. No chromate additives will be used in the mud system on Federal and/or Indian Lands without prior BLM approval to ensure adequate protection of fresh water aquifers.
- d. No chemicals subject to reporting under SARA Title III in an amount equal to or greater than 10,000 pounds will be used, produced, stored, transported or disposed of annually in association with the drilling of this well. Furthermore, no extremely hazardous substances, as defined in 40 CFR 355, in threshold planning quantities, will be used, produced, stored, transported or disposed in association with the drilling of this well.
- e. The use of materials under BLM jurisdiction will conform to 43 CFR 3610.2-3.

ONSHORE ORDER NO. 1
Rosewood Resources, Inc.
Rock House #33 (Directional)
880' FNL 1225' FEL
NE NE Sec. 11, T11S, R23E
Uintah County, Utah

CONFIDENTIAL- TIGHT HOLE

Lease No. UTU-0778

DRILLING PROGRAM

Page 6

- p. Anticipated cement tops will be reported as to depth; not the expected number of cement sacks to be used. The District Office will be notified, with sufficient lead to have an AO to witness running all casing strings and cementing.
- q. After cementing but before commencing any test, the casing shall stand idle until the cement has reached a compressive strength of at least 500 psi at the shoe. WOC time shall be recorded in the driller's log.
- r. The following reports shall be filed with the District Office within 30 days of completing work.

 - 1. Progress reports, Form 3160-5 (formerly 9-331) "Sundry Notices and Reports on Wells", must include complete information concerning:

 - a. Setting of each string of casing, showing the size, weight, grade of casing set, hole size, setting depth, amounts and type of cement used, whether cement circulated to surface or top of cement behind casing, depth of cementing tools used, casing test method and results and the date performed. Show the Spud date on the first reports submitted.
 - b. Temperature or bond logs must be submitted for each well where cement was not circulated to surface.
- s. Auxiliary equipment to be used is as follows:

 - 1. Kelly Cock Valve
 - 2. No bit float is deemed necessary.
 - 3. Sub with full opening valve.

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Rosewood Resources, Inc.
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DRILLING PROGRAM

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- k. All casing strings below the conductor shall be tested to 0.22 psi per foot of casing length or 1500 psi, whichever is greater, but not to exceed 70% of the minimum internal yield. If pressure declines more than 10% in 30 minutes, corrective action will be taken.
- l. On all exploratory wells and on that portion of any well approved for a 3M BOPE system or greater, a pressure integrity test of each casing shoe shall be performed. Formation at the shoe shall be tested to a minimum of the mud weight anticipated to control the well to the next casing point. This test shall be performed before drilling more than 20' of new hole.

- m. The proposed casing program will be as follows:

<u>Purpose</u>	<u>Depth</u>	<u>Hole Size</u>	<u>O.D.</u>	<u>Weight</u>	<u>Grade</u>	<u>Type</u>	<u>New or Used</u>
Surface	0-500'	12 1/4"	9 5/8"	36#	K-55	ST&C	New
Production	0-5100'	7 7/8"	4 1/2"	11.6#	N-80	LT&C	New

- n. Casing design subject to revision based on geological conditions encountered.
- o. The cement program will be as follows:

Surface
0-500'

Type and Amount
350 sx Class "G" with 2% CaCl and
1/4#/sk Cello-Flake.

Production
0-5100' TVD

Type and Amount
1st Stage: 800 sx Class "G" with 2% Gel,
2% Micro-Bond .3% CFR 3, 0.5% Halad
9 & 1/4#/sk Cello-Flake. Top of cement on
1st stage @ 3400'. Cement stage tool @
3000' +/-.

2nd Stage: 360 sx Prem Lite with 3% Salt,
2% Micro-Bond, 1% Econolite and 1/4#/sk
Cello-flake. Top of cement on 2nd Stage
@ surface.

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Fracture gradients; usable water zones; formation pressures; lost circulation zones; other minerals or unusual characteristics. All indications of usable water shall be reported.

- b. Casing design shall assume formation pressure gradients of 0.44 to 0.50 psi per foot for exploratory wells.**
- c. Casing design shall assume fracture gradients from 0.70 to 1.00 psi per foot for exploratory wells.**
- d. Casing collars shall have a minimum clearance of 0.422 inches on all sides in the hole/casing annulus, with recognition that variances can be granted for justified exceptions.**
- e. All waiting on cement times shall be adequate to achieve a minimum of 500 psi compressive strength at the casing shoe prior to drilling out.**
- f. All casing except the conductor casing shall be new or reconditioned tested used casing that meets or exceeds API standards for new casing.**
- g. The surface casing shall be cemented to surface either during the primary cement job or by remedial cementing.**
- h. All indications of usable water shall be reported to the AO prior to running the next string of casing or before plugging orders are requested, whichever occurs first.**
- i. Three centralizers will be run on the bottom three joints of surface casing with a minimum of one centralizer per every 2 joints starting with the shoe joint.**
- j. Top plugs shall be used to reduce the contamination of cement by displacement fluid. A bottom plug or other acceptable technique, such as a preflush fluid, inner string cement method, etc. shall be utilized to help prevent cement contamination.**

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Rosewood Resources, Inc.
Rock House #33 (Directional)
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DRILLING PROGRAM

Page 3

BOP systems shall be consistent with API RP53. Pressure tests will be conducted before drilling out from under casing strings which have been set and cemented in place. Blowout preventer controls will be installed prior to drilling the surface casing plug and will remain in place until well operations are completed. Preventers will be inspected and operated at least daily to ensure good mechanical working order, this will be recorded on daily drilling report.

The BLM District Office shall be notified with sufficient lead time to have their representative on location during BOPE testing.

- a. The size and rating of the BOP stack is shown on the attached diagram. Although a rig has not been chosen to drill this well, most of the equipment on rigs drilling in this area utilize a 10" 3000# W.P. blowout preventer.
- b. A choke line and a kill line will be properly installed. The kill line will not be used as a fill-up line.
- c. The accumulator system shall have a pressure capacity to provide repeated operation of hydraulic preventers.
- d. Drill string safety valve(s) to fit all tools in the drill string will be maintained on the rig floor while drilling operations are in progress.

4. Proposed Casing and Cementing Program:

- a. The proposed casing and cementing program shall be conducted as approved to protect and/or isolate all usable water zones, potentially productive zones, lost circulation zones, abnormally pressured zones and any prospectively valuable mineral deposits. Any isolating medium other than cement shall receive approval prior to use. The casing setting depth shall be calculated to position the casing seat opposite a competent formation sufficient to handle maximum pressure to which it may be exposed during normal drilling operations. Determination of casing setting depth shall be based on all relevant factors, including; presence/absence of hydrocarbons;

ONSHORE ORDER NO. 1
Rosewood Resources, Inc.
Rock House #33 (Directional)
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DRILLING PROGRAM

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Ram type preventers and associated equipment shall be tested to approved stack working pressure if isolated by test plug or to 70% of internal yield pressure rating of casing. Pressure shall be maintained for at least 10 minutes or until test requirements are met, whichever is longer. If a test plug is utilized, no bleed-off pressure is acceptable. For a test not utilizing a test plug, no more than a 10% decline in pressure in a 30 minute time period will be acceptable. Valve on casinghead below test plug must be open during test.

Annular type preventers shall be tested to 50% of rated working pressure. Pressure shall be maintained at least 10 minutes or until test requirements are met, whichever is longer.

As a minimum, the above test shall be performed:

- a. When initially installed**
- b. Whenever any seal subject to test pressure is broken**
- c. Following related repairs**
- d. 30-day intervals**

Valves shall be tested from working pressure side during BOPE tests with all downstream valves open.

When testing kill line valve(s) the check shall be held open or ball removed.

Annular preventers shall be functionally operated at least weekly.

Pipe and blind rams shall be activated each trip, however, this function need not be performed more than once a day.

A BOP safety drill shall be conducted weekly for drilling crews.

Pressure tests shall apply to all related well control equipment.

All prescribed tests and or drills shall be recorded in the daily drilling log.

ONSHORE ORDER NO. 1
Rosewood Resources, Inc.
Rock House #33 (Directional)
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Page 1

ONSHORE OIL & GAS ORDER NO. 1
Approval of Operations on Onshore
Federal and Indian Oil and Gas Leases

All lease and/or unit operations will be conducted in such a manner that full compliance is made with applicable laws, regulations (43 CFR 3100), Onshore Order No. 1 and the approved plan of operations. The operator is fully responsible for the actions off his subcontractors. A copy of these conditions will be furnished the field representative to insure compliance.

1. Estimated Tops of Important Geologic Markers

<u>Formation</u>	<u>Depth</u>	<u>Subsea</u>
Uintah	Surface	+5627'
Wasatch	3250'	+2377'
Mesa Verde	5020'	+607'
T.D.	5100' TVD	+527'

2. Estimated Depth of Anticipated Water, Oil, Gas or Mineral Formations

<u>Substance</u>	<u>Formation</u>	<u>Depth</u>
Gas	Wasatch	3250'- 5020' TVD
Gas	Mesa Verde	5020'- 5100' TVD

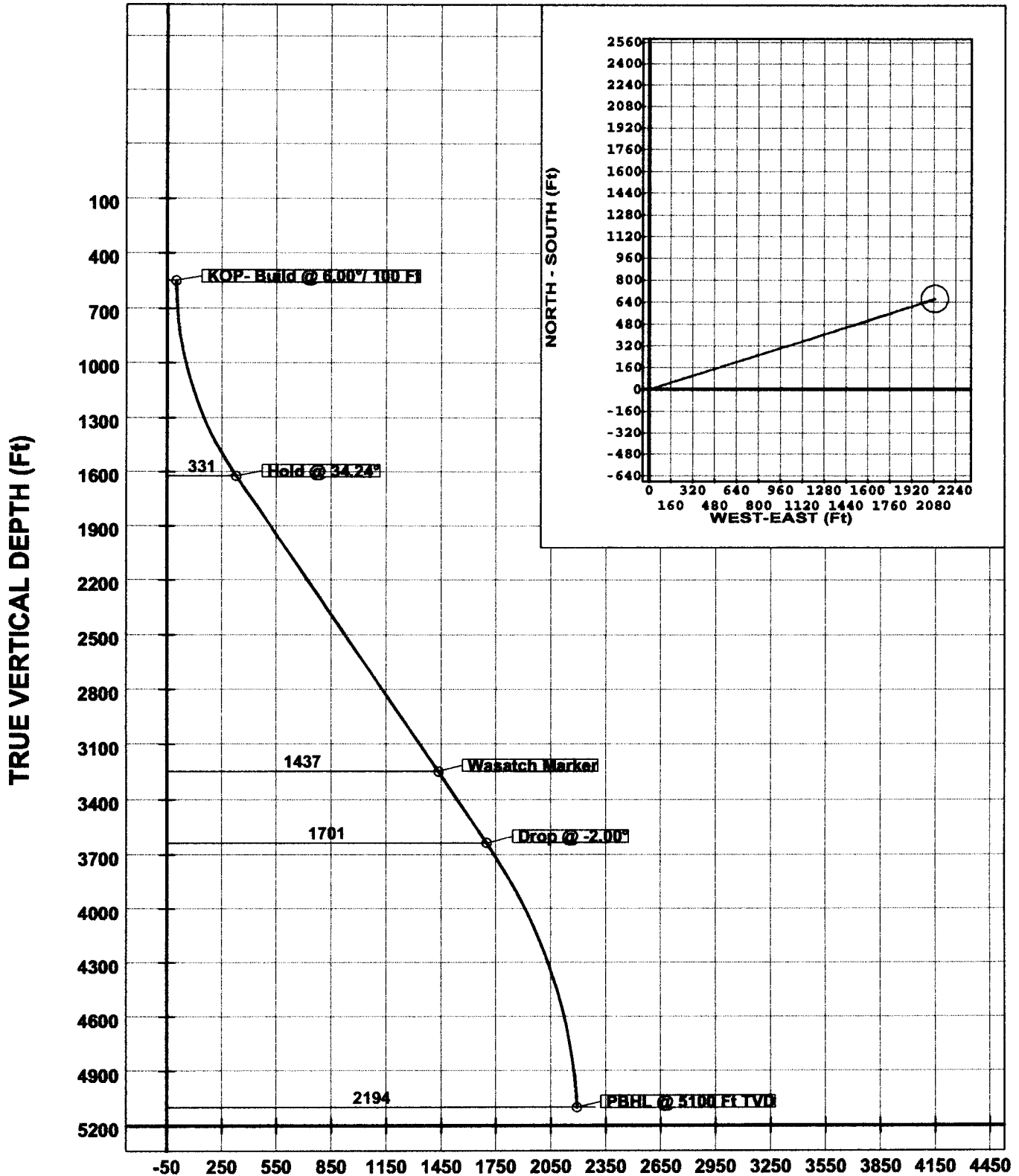
All fresh water or prospectively valuable minerals encountered during drilling will be recorded by depth and adequately protected. All oil and gas shows will be tested to determine commercial potential.

3. Pressure Control Equipment

Rosewood's minimum specifications for pressure control equipment are as follows:

Ram Type: 10" Hydraulic double with annular, 3000# psi W.P.

Company: Rosewood Resources, Inc
Lease/Well: Rock House #33 Pad#21
Location: Sec 11, T11S, R23E
State/Country: Uinta, Utah
Declination: 12.26



° - S-Well

VERTICAL SECTION (Ft) @ 72.36°



Weatherford
Energy

Job Number: State/Country: Uinta,Utah
 Company: Rosewood Resources, Inc Declination: 12.26
 Lease/Well: Rock House #33 Pad#21 Grid:
 Location: Sec 11,T11S,R23E File name: C:\SURVEY\ROSEWO~1\RH#33.SVY
 Rig Name: Date/Time: 19-Sep-01 / 14:58
 RKB: SHL:1545' FSL & 1964' FWL Sec 11 Curve Name: S-Well
 G.L. or M.S.L.: BHL: 880' FNL & 1225' FEL Sec 11

WINSERVE SURVEY CALCULATIONS
 Minimum Curvature Method
 Vertical Section Plane 72.36
 Vertical Section Referenced to Wellhead
 Rectangular Coordinates Referenced to Wellhead

Measured Depth FT	Incl Angle Deg	Drift Direction Deg	True Vertical Depth	N-S FT	E-W FT	Vertical Section FT	Course Length FT	CLOSURE Distance FT	Direction Deg	Dogleg Severity Deg/100
KOP- Build @ 3.00°/ 100 Ft										
550.00	.00	.00	550.00	.00	.00	.00		.00	.00	.00
650.00	3.00	72.36	649.95	.79	2.49	2.62	100.00	2.62	72.36	3.00
750.00	6.00	72.36	749.63	3.17	9.97	10.46	100.00	10.46	72.36	3.00
850.00	9.00	72.36	848.77	7.13	22.41	23.51	100.00	23.51	72.36	3.00
950.00	12.00	72.36	947.08	12.65	39.77	41.74	100.00	41.74	72.36	3.00
1050.00	15.00	72.36	1044.31	19.72	62.02	65.08	100.00	65.08	72.36	3.00
1150.00	18.00	72.36	1140.18	28.33	89.08	93.48	100.00	93.48	72.36	3.00
1250.00	21.00	72.36	1234.43	38.45	120.89	126.85	100.00	126.85	72.36	3.00
1350.00	24.00	72.36	1326.81	50.04	157.35	165.12	100.00	165.12	72.36	3.00
1450.00	27.00	72.36	1417.06	63.09	198.37	208.16	100.00	208.16	72.36	3.00
1550.00	30.00	72.36	1504.93	77.55	243.84	255.87	100.00	255.87	72.36	3.00
1650.00	33.00	72.36	1590.18	93.38	293.63	308.12	100.00	308.12	72.36	3.00
Hold @ 34.24°										
1691.49	34.24	72.36	1624.73	100.34	315.52	331.09	41.49	331.09	72.36	3.00
1791.49	34.24	72.36	1707.40	117.40	369.14	387.36	100.00	387.36	72.36	.00
1891.49	34.24	72.36	1790.06	134.45	422.77	443.64	100.00	443.64	72.36	.00
1991.49	34.24	72.36	1872.73	151.51	476.40	499.91	100.00	499.91	72.36	.00
2091.49	34.24	72.36	1955.39	168.56	530.02	556.18	100.00	556.18	72.36	.00
2191.49	34.24	72.36	2038.05	185.62	583.65	612.45	100.00	612.45	72.36	.00
2291.49	34.24	72.36	2120.72	202.67	637.28	668.73	100.00	668.73	72.36	.00
2391.49	34.24	72.36	2203.38	219.73	690.90	725.00	100.00	725.00	72.36	.00
2491.49	34.24	72.36	2286.05	236.78	744.53	781.27	100.00	781.27	72.36	.00
2591.49	34.24	72.36	2368.71	253.83	798.15	837.55	100.00	837.55	72.36	.00
2691.49	34.24	72.36	2451.37	270.89	851.78	893.82	100.00	893.82	72.36	.00

Measured Depth FT	Incl Angle Deg	Drift Direction Deg	True Vertical Depth	N-S FT	E-W FT	Vertical Section FT	Course Length FT	CLOSURE Distance FT	Direction Deg	Dogleg Severity Deg/100
2791.49	34.24	72.36	2534.04	287.94	905.41	950.09	100.00	950.09	72.36	.00
2891.49	34.24	72.36	2616.70	305.00	959.03	1006.36	100.00	1006.36	72.36	.00
2991.49	34.24	72.36	2699.37	322.05	1012.66	1062.64	100.00	1062.64	72.36	.00
3091.49	34.24	72.36	2782.03	339.11	1066.29	1118.91	100.00	1118.91	72.36	.00
3191.49	34.24	72.36	2864.70	356.16	1119.91	1175.18	100.00	1175.18	72.36	.00
3291.49	34.24	72.36	2947.36	373.22	1173.54	1231.46	100.00	1231.46	72.36	.00
3391.49	34.24	72.36	3030.02	390.27	1227.16	1287.73	100.00	1287.73	72.36	.00
3491.49	34.24	72.36	3112.69	407.33	1280.79	1344.00	100.00	1344.00	72.36	.00
3591.49	34.24	72.36	3195.35	424.38	1334.42	1400.27	100.00	1400.27	72.36	.00
Wasatch Marker										
3657.60	34.24	72.36	3250.00	435.66	1369.87	1437.48	66.11	1437.48	72.36	.00
3691.49	34.24	72.36	3278.02	441.44	1388.04	1456.55	33.89	1456.55	72.36	.00
3791.49	34.24	72.36	3360.68	458.49	1441.67	1512.82	100.00	1512.82	72.36	.00
3891.49	34.24	72.36	3443.34	475.55	1495.30	1569.09	100.00	1569.09	72.36	.00
3991.49	34.24	72.36	3526.01	492.60	1548.92	1625.37	100.00	1625.37	72.36	.00
4091.49	34.24	72.36	3608.67	509.66	1602.55	1681.64	100.00	1681.64	72.36	.00
Drop @ -2.00°										
4126.77	34.24	72.36	3637.83	515.67	1621.47	1701.49	35.28	1701.49	72.36	.00
4226.77	32.24	72.36	3721.46	532.29	1673.71	1756.31	100.00	1756.31	72.36	2.00
4326.77	30.24	72.36	3806.95	548.01	1723.13	1808.18	100.00	1808.18	72.36	2.00
4426.77	28.24	72.36	3894.20	562.81	1769.69	1857.03	100.00	1857.03	72.36	2.00
4526.77	26.24	72.36	3983.10	576.68	1813.31	1902.80	100.00	1902.80	72.36	2.00
4626.77	24.24	72.36	4073.55	589.61	1853.95	1945.45	100.00	1945.45	72.36	2.00
4726.77	22.24	72.36	4165.43	601.57	1891.56	1984.91	100.00	1984.91	72.36	2.00
4826.77	20.24	72.36	4258.63	612.55	1926.09	2021.15	100.00	2021.15	72.36	2.00
4926.77	18.24	72.36	4353.03	622.54	1957.50	2054.11	100.00	2054.11	72.36	2.00
5026.77	16.24	72.36	4448.53	631.52	1985.75	2083.75	100.00	2083.75	72.36	2.00
5126.77	14.24	72.36	4545.01	639.49	2010.80	2110.04	100.00	2110.04	72.36	2.00
5226.77	12.24	72.36	4642.35	646.44	2032.64	2132.95	100.00	2132.95	72.36	2.00
5326.77	10.24	72.36	4740.42	652.35	2051.22	2152.45	100.00	2152.45	72.36	2.00
5426.77	8.24	72.36	4839.12	657.21	2066.53	2168.52	100.00	2168.52	72.36	2.00
5526.77	6.24	72.36	4938.31	661.04	2078.54	2181.13	100.00	2181.13	72.36	2.00
5626.77	4.24	72.36	5037.89	663.81	2087.25	2190.27	100.00	2190.27	72.36	2.00
PBHL @ 5100 Ft TVD										
5689.00	3.00	72.36	5100.00	665.00	2091.00	2194.20	62.24	2194.20	72.36	2.00

Rockhouse #33

SELF CERTIFICATION

Please be advised that Rosewood Resources, Inc. is to be considered the operator of the above mentioned well. Rosewood Resources, Inc. agrees to be responsible under the terms and conditions of the lease for the operations conducted upon the lease lands.


Bond coverage for this well is provided by Nationwide Bond no. MT-0627. The principal is Rosewood Resources, Inc. via surety consent as provided for in 43 CFR 3104.2.

CERTIFICATION

I hereby certify that I, or persons under my direct supervision have inspected the proposed drillsite and access route: that I am familiar with the conditions which presently exist; that the statements made in this plan are, to the best of my knowledge, true and correct; and, that the work associated with the operations proposed herein will be performed by Rosewood Resources, Inc. and its contractors and subcontractors in conformity with the plan and the terms and conditions under which it is approved.

This statement is subject to the provisions of 18.U.S.C. 1001 for the filing of a false statement.

Date 10/29/01


Randy Miller
Drilling Superintendent
Rosewood Resources, Inc.

November 6, 2001

Division of Oil, Gas & Minerals
1594 West North Temple, Suite 1210
Salt Lake, Utah 84114-5801
Attention: Leisha Cordova

RE: Rule 649-3-11

Dear Ms. Cordova:

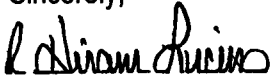
Rosewood Resources, Inc. respectfully requests approval to drill directionally, the following wells located in Uintah County, Utah. Rosewood Resources, Inc. was required to deviate from the general rule for drilling these wells due to surface and topographic problems. After review, all points of each well bore are greater than 460 feet from any offset owners.

The wells subject to this request are:

Rockhouse 31
Rockhouse 33
Rockhouse 36
Rockhouse 32

Should you have questions or comments, please advise.

Sincerely,



R. Hiram Lucius, CPL
Land Manager

Cc: Jill Henrie

RECEIVED

NOV 08 2001

**DIVISION OF
OIL, GAS AND MINING**

Operator: Rosewood Resources, Inc.
Well Name & Number Rock House Unit 33
API Number: 43-047-34372
Lease: UTU 0778

Surface Location: SE NW **Sec.** 11 **T.** 11 South **R.** 23 East
Bottom Location: NE NE **Sec.** 11 **T.** 11 South **R.** 23 East

Conditions of Approval

1. General

Compliance with the requirements of Utah Admin. R. 649-1 *et seq.*, the Oil and Gas Conservation General Rules, and the applicable terms and provisions of the approved Application for permit to drill.

2. Notification Requirements

Notify the Division within 24 hours of spudding the well.

- Contact Carol Daniels at (801) 538-5284.

Notify the Division prior to commencing operations to plug and abandon the well.

- Contact Dan Jarvis at (801) 538-5338

3. Reporting Requirements

All required reports, forms and submittals will be promptly filed with the Division, including but not limited to the Entity Action Form (Form 6), Report of Water Encountered During Drilling (Form 7), Weekly Progress Reports for drilling and completion operations, and Sundry Notices and Reports on Wells requesting approval of change of plans or other operational actions.

4. State approval of this well does not supersede the required federal approval, which must be obtained prior to drilling.

5. In accordance with Utah Admin. R.649-3-11, Directional Drilling, the operator shall submit a complete angular deviation and directional survey report to the Division within 30 days following completion of the well.



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

1594 West North Temple, Suite 1210
PO Box 145801
Salt Lake City, Utah 84114-5801
801-538-5340
801-359-3940 (Fax)
801-538-7223 (TDD)

Michael O. Leavitt
Governor
Lowell P. Braxton
Division Director

November 8, 2001

Rosewood Resources, Inc.
P O Box 1668
Vernal, UT 84078

Re: Rock House Unit 33 Well, Surface Location 1545' FNL, 1964' FWL, SE NW, Sec. 11, T. 11 South, R. 23 East, Bottom Location 880' FNL, 1225' FEL, NE NE, Sec. 11, T. 11 South, R. 23 East, Uintah County, Utah

Gentlemen:

Pursuant to the provisions and requirements of Utah Code Ann. § 40-6-1 *et seq.*, Utah Administrative Code R649-3-1 *et seq.*, and the attached Conditions of Approval, approval to drill the referenced well is granted.

Appropriate information has been submitted to DOGM and administrative approval of the requested exception location is hereby granted.

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-047-34372.

Sincerely,

John R. Baza
Associate Director

dm

Enclosures

cc: Uintah County Assessor
Bureau of Land Management, Vernal District Office

**UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT**

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK **DRILL** ☒ **DEEPEN** ☐
1b. TYPE OF WELL **DIRECTIONAL WELL**
OIL ☐ **GAS** ☐ **SINGLE** ☐ **MULTIPLE** ☐
WELL ☐ **WELL** ☒ **OTHER** ☐ **ZONE** ☐ **ZONE** ☒

2. NAME OF OPERATOR
ROSEWOOD RESOURCES, INC.

3. ADDRESS OF OPERATOR
P.O. BOX 1668, VERNAL, UTAH 84078

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)*
At Surface **1545' FNL 1964' FWL SE NW SEC 11, T11S R23E**
At proposed Prod. Zone **880' FNL 1225' FEL NE NE SEC 11 T11S R23E**

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
APPROXIMATELY 33.2 MILES SOUTH OF BONANZA, UTAH

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any)
880'

16. NO. OF ACRES IN LEASE
6230

17. NO. OF ACRES ASSIGNED TO THIS WELL
40 ACRES

18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR ON THIS LEASE, FT.
1800' +/-

19. PROPOSED DEPTH
5100' TVD

20. ROTARY OR CABLE TOOLS
ROTARY

21. ELEVATIONS (Show whether DF, RT, GR, etc.)
5627' UNGRADED

22. APPROX. DATE WORK WILL START*
UPON APPROVAL

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT/FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12 1/4"	9 5/8"	36#	500'	350sx - CIRC. TO SURFACE
7 7/8"	4 1/2"	11.6#	5100' TVD	1160 sx - 2 STAGE TO SURFACE

Rosewood Resources, Inc. proposes to drill a directional well to 5100 'TVD to test the Wasatch and Mesa Verde formations (off of the existing Rockhouse #21 pad). If productive, casing will be set and the well completed. If not, the well will be plugged and abandoned as per BLM & State of Utah requirements.

See Rockhouse #21 APD attached.

CONFIDENTIAL - TIGHT HOLE

DEC 10 2001

DIVISION OF

OIL, GAS AND MINING

Please be advised that Rosewood Resources, Inc. is considered to be the Operator of the above mentioned well. Rosewood Resources, Inc. agrees to be responsible under the terms and conditions of the lease for the operations conducted upon the lease lands.

Bond coverage for this well is provided by Nationwide Bond no. MT-0627. The principal is Rosewood Resources, Inc. via surety consent as provided for in 43 CFR 3104.2

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM : If proposal is to deepen or plug back, give data on present productive zone and proposed new productive zone.

If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24. SIGNED Will Henrie TITLE Administrative Assistant DATE 10/05/2001

(This space for Federal or State office use)

NOTICE OF APPROVAL

CONDITIONS OF APPROVAL ATTACHED

PERMIT NO.

APPROVAL DATE

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

CONDITIONS OF APPROVAL, IF ANY:

APPROVED BY Thomas B. Clavette TITLE Assistant Field Manager Mineral Resources DATE 12/04/2001

***See Instructions On Reverse Side**

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

DOGm

CONDITIONS OF APPROVAL
APPLICATION FOR PERMIT TO DRILL

Company/Operator: Rosewood Resources, Inc.
Well Name & Number: Rockhouse #33
API Number: 43-047-34372
Lease Number: U - 0778
Surface Location: SENW Sec. 11 T. 11S R. 23E
Bottom Hole: NENE Sec. 11 T. 11S R. 23
Agreement: Rock House WS MV

For more specific details on notification requirements, please check the Conditions of Approval for Notice to Drill and Surface Use Program.

CONDITIONS OF APPROVAL FOR NOTICE TO DRILL

Approval of this application does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Be aware fire restrictions may be in effect when location is being constructed and/or when well is being drilled. Contact the appropriate Surface Management Agency for information.

A. DRILLING PROGRAM

1. Estimated Depth at Which Oil, Gas, Water, or Other Mineral Bearing Zones are Expected to be Encountered

Report ALL water shows and water-bearing sands to this office **prior to setting the next casing or requesting plugging orders**. Faxed copies of State of Utah form OGC-8-X are acceptable. If noticeable water flows are detected, submit samples to this office along with any water analyses conducted.

All usable water and prospectively valuable minerals (as described by BLM at onsite) encountered during drilling, will be recorded by depth and adequately protected. All oil and gas shows will be tested to determine commercial potential.

2. Pressure Control Equipment

The BOP and related equipment shall meet the minimum requirements of Onshore Oil and Gas Order No. 2 for equipment and testing requirements, procedures, etc., for a **3M** system and individual components shall be operable as designed. Chart recorders shall be used for all pressure tests.

Test charts, with individual test results identified, shall be maintained on location while drilling and shall be made available to a BLM representative upon request.

3. Casing Program and Auxiliary Equipment

As a minimum, the usable water and oil shale resources shall be isolated and/or protected by having a cement top for the production casing at least 200 ft. above the top of the Mahogany oil shale zone, identified at 1,105 ft. If gilsonite is encountered while drilling, it shall be isolated and/or protected via the cementing program.

4. Mud Program and Circulating Medium

Hazardous substances specifically listed by the EPA as a hazardous waste or demonstrating a characteristic of a hazardous waste will not be used in drilling, testing, or completion operations.

5. Coring, Logging and Testing Program

A cement bond log (CBL) will be run from the production casing shoe to the top of the cement and shall be utilized to determine the bond quality for the production casing. Submit a field copy of the CBL to this office.

6. Notifications of Operations

Operator shall report production data to MMS pursuant to 30 CFR 216.5 using form MMS/3160.

The date on which production is commenced or resumed will be construed for oil wells as the date on which liquid hydrocarbons are first sold or shipped from a temporary storage facility, such as a test tank, and for which a run ticket is required to be generated or, the date on which liquid hydrocarbons are first produced into a permanent storage facility, whichever first occurs; and, for gas wells as the date on which associated liquid hydrocarbons are first sold or shipped from a temporary storage facility, such as a test tank, and for which a run ticket is required to be generated or, the date on which gas is first measured through permanent metering facilities, whichever first occurs.

Should gas be vented or flared without approval beyond the authorized test period, the operator may be directed to shut-in the well until the gas can be captured or approval to continue venting or flaring as uneconomic is granted and the operator shall be required to compensate the lessor for that portion of the gas vented or flared without approval which is determined to have been avoidably lost.

7. Other Information

Section 102(b)(3) of the Federal Oil and Gas Royalty Management Act of 1982, as implemented by the applicable provisions of the operating regulations at Title 43 CFR 3162.4-1(c), requires that "not later than the 5th business day after any well begins production on which royalty is due anywhere on a lease site or allocated to a lease site, or resumes production in the case of a well which has been off production for more than 90 days, the operator shall notify the authorized officer by letter or sundry notice, Form 3160-5, or orally to be followed by a letter or sundry notice, of the date on which such production has begun or resumed."

If you fail to comply with this requirement in the manner and time allowed, you shall be liable for a civil penalty of up to \$10,000 per violation for each day such violation continues, not to exceed a maximum of 20 days. See Section 109(c)(3) of the Federal Oil and Gas Royalty Management Act of 1982 and the implementing regulations at Title 43 CFR 3162.4-1(b)(5)(ii).

In the event after-hours approvals are necessary, please contact one of the following individuals:

Ed Forsman (435) 828-7874
Petroleum Engineer

Kirk Fleetwood (435) 828-7875
Petroleum Engineer

BLM FAX Machine (435) 781-4410

EPA'S LIST OF NONEXEMPT EXPLORATION AND PRODUCTION WASTES

While the following wastes are nonexempt, they are not necessarily hazardous.

Unused fracturing fluids or acids

Gas plant cooling tower cleaning wastes

Painting wastes

Oil and gas service company wastes, such as empty drums, drum rinsate, vacuum truck rinsate, sandblast media, painting wastes, spent solvents, spilled chemicals, and waste acids

Vacuum truck and drum rinsate from trucks and drums, transporting or containing nonexempt waste

Refinery wastes

Liquid and solid wastes generated by crude oil and tank bottom reclaimers

Used equipment lubrication oils

Waste compressor oil, filters, and blowdown

Used hydraulic fluids

Waste solvents

Waste in transportation pipeline-related pits

Caustic or acid cleaners

Boiler cleaning wastes

Boiler refractory bricks

Incinerator ash

Laboratory wastes

Sanitary wastes

Pesticide wastes

Radioactive tracer wastes

Drums, insulation and miscellaneous solids.

**SURFACE USE PROGRAM
CONDITIONS OF APPROVAL (COAs)**

Whatever topsoil is present on the area of new disturbance shall be piled with the existing topsoil pile. The topsoil pile shall then be broadcast seeded with the seed mix shown below and walked with the dozer to plant the seed.

The topsoil from the reserve pit shall be re-stripped and piled separately near the reserve pit. When the reserve pit is closed, it shall be recontoured and the topsoil respread; then the area shall be seeded with the seed mix shown below by broadcasting the seed then walking it in with the dozer.

Seed mix to be used when seeding the topsoil, the reserve pit and for final abandonment rather than the seed mix identified in the APD:

<u>Species</u>	<u>Scientific Name</u>	<u>lbs/acre</u>
Thickspike wheatgrass	Agropyron dasystachyum	6
Fourwing saltbush	Atriplex canescens	6

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 1993

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reenter a different reservoir.
Use "APPLICATION FOR PERMIT -" for such proposals

5. Lease Designation and Serial No.
UTU-0778

6. If Indian, Allottee or Tribe Name

7. If Unit or CA, Agreement Designation
ROCKHOUSE

8. Well Name and No.
33

9. API Well No.
43-04734372

10. Field and Pool, or Exploratory Area
ROCKHOUSE

11. County or Parish, State
UINTAH, UT

SUBMIT IN TRIPLICATE

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

CONFIDENTIAL

2. Name of Operator
ROSEWOOD RESOURCES, INC.

3. Address and Telephone No.
P.O. Box 1668 Vernal, Utah 84078 (435)789-0414

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
1545' FNL 1964' FWL SE NW SEC 11, T11S R: (SURFACE)
880' FNL 1225' FEL NE NE SEC 11, T11S R23E SLB&M (DOWNHOLE)

12. CHECK APPROPRIATE BOX(es) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

☐ Notice of Intent
☐ Subsequent Report
☐ Final Abandonment Notice

TYPE OF ACTION

☐ Abandonment
☐ Recompletion
☐ Plugging Back
☐ Casing Repair
☐ Altering Casing
☒ Other SPUD
☐ Change of Plans
☐ New Construction
☐ Non-Routine Fracturing
☐ Water Shut-Off
☐ Conversion to Injection
☐ Dispose Water

(Note: Report results of multiple completion on Well
Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

Rosewood Resources, Inc. Spud above mentioned well at 11:30 A.M. on 12/18/01. (Contractor: Bill Martin)

SET 9 5/8" 36# K-55 STC CSG @ 515' GL.

CEMENT W/ 220 SX "G" W/2% CACL & 1/4# /SK FLOCELE. CIRC CMT TO SURFACE

If you have any questions or concerns please feel free to call.

Thank You, Jill Henrie
Rosewood Resources, Inc.
(435) 789-0414 x 10

RECEIVED

JAN 09 2002

DIVISION OF
OIL, GAS AND MINING

COPIES: ORIG. & 2-BLM; DIV. OG&M

14. I hereby certify that the foregoing is true and correct

Signed

Jill Henrie

Title

Administrative Asst.

Date

01/07/02

(This space for Federal or State office use)

Approved by

Title

Date

Conditions of approval, if any:

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 6

ENTITY ACTION FORM

Operator: Rosewood Resources, Inc.
Address: P.O. Box 1668
Vernal
city
state Utah zip 84078

Operator Account Number: N⁷⁵¹⁰
Phone Number: (435) 789-0414

Well 1

API Number	Well Name		QQ	Sec	Twp	Rng	County
43-047-34371	Rockhouse #31		NONE	9	11S	23E	Uintah
Action Code	Current Entity Number	New Entity Number	Spud Date		Entity Assignment Effective Date		
B	99999	2025	12/27/01		1-11-02		
Comments: CONFIDENTIAL							

Well 2

API Number	Well Name		QQ	Sec	Twp	Rng	County
43-047-34372	Rockhouse #33		NONE	11	11S	23 E	Uintah
Action Code	Current Entity Number	New Entity Number	Spud Date		Entity Assignment Effective Date		
B	99999	2025	12/18/01		1-11-02		
Comments: CONFIDENTIAL							

Well 3

API Number	Well Name		QQ	Sec	Twp	Rng	County
Action Code	Current Entity Number	New Entity Number	Spud Date		Entity Assignment Effective Date		
Comments:							

ACTION CODES:

- A - Establish new entity for new well (single well only)
- B - Add new well to existing entity (group or unit well)
- C - Re-assign well from one existing entity to another existing entity
- D - Re-assign well from one existing entity to a new entity
- E - Other (Explain in 'comments' section)

Jill Henrie

Name (Please Print)

Jill Henrie

Signature

Adm'n Assistant

Title

01-07-02

Date

JAN 11 2002

DIVISION OF
OIL, GAS AND MINING

SUBMIT IN DUPLICATE*
(See other in-
structions on
reverse side)FORM APPROVED
OMB NO. 1004-0137
Expires: February 28, 1995UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT5. LEASE DESIGNATION AND SERIAL NO.
UTU-0778

WELL COMPLETION OR RECOMPLETION REPORT AND LOG*

1a. TYPE OF WORK

1b. TYPE OF WELL

OIL
WELL ☐GAS
WELL ☒DRY ☐Other ☐ CONFIDENTIALNEW
WELL ☒WORK
OVER ☐DEEP-
EN ☐FLUG
BACK ☐DIFF.
RESVR. ☐

PERIOD

EXPIRED

Other 7-4-03

9. UNIT AGREEMENT NAME

NA
ROCKHOUSE UNIT

8. FARM OR LEASE NAME, WELL NO.

#33

9. API WELL NO.

43-047-34372

10. FIELD AND POOL OR WILDCAT

ROCKHOUSE

2. NAME OF OPERATOR

ROSEWOOD RESOURCES, INC.

3. ADDRESS AND TELEPHONE NO.

P.O. BOX 1668, VERNAL, UT 84078

435-789-0414

4. LOCATION OF WELL (Report locations clearly and in accordance with any State requirements. *)

At Surface

1964' FWL 1545' FNL SE NW SEC 11, T11S R23E

At top prod. Interval reported below

880' FNL 1225' FEL NE NE SEC 11, T11S R23E SLB&M

At total depth

14. PERMIT NO.

DATE ISSUED

11. SEC., T., R., M., OR BLOCK AND SURVEY
OR AREA

Block & Survey: S.L.B. & M

12. COUNTY OR PARISH
UINTAH13. STATE
UTAH

15. DATE SPURRED

12-18-01

16. DATE T.D. REACHED

1/8/2002

17. DATE COMPL. (Ready to prod.)

06-04-02

18. ELEVATIONS (DF, RKB, RT, GR, ETC.)*

5627'

19. ELEV. CASINGHEAD

5626'

20. TOTAL DEPTH, MD & TVD

5660'

MD

TVD

21. PLUG, BACK T.D., MD & TVD

5020 PBDT

22. IF MULTIPLE COMPL.,
HOW MANY*23. INTERVALS
DRILLED BY

ROTARY TOOLS

0-5660'

CABLE TOOLS

24. PRODUCING INTERVAL(S), OF THIS COMPLETION--TOP, BOTTOM, NAME (MD AND TVD)*

4882-4900' 4314-36' WASATCH
4998-4508'25. WAS DIRECTIONAL
SURVEY MADE

YES

26. TYPE ELECTRIC AND OTHER LOGS RUN

SPECTRAL DENSITY/CASED HOLE FRACCADE CBL W/GR & CCL 5-9-02 1-15-03 MUD LOG 2-1-02

27. WAS WELL CORED

NO

23. CASING RECORD (Report all strings set in well)

CASING SIZE/GRADE	WEIGHT, LB./FT.	DEPTH SET (MD)	HOLE SIZE	TOP OF CEMENT, CEMENTING RECORD	AMOUNT PULLED
9 5/8" K-55	36#	515' GL	12 1/4"	SURF 220SX "G" + 2% CACL	NONE
4 1/2" N-80	11.6#	5060'	7 7/8"	SURF 1ST STAGE 410SX "G" +2%G	NONE
				3% FL 5% HALAD MICRO/CBL	NONE
				2ND STAGE 470 SX LITE, 35%POZ, 3% SALT	

29. LINER RECORD

SIZE	TOP (MD)	BOTTOM (MD)	SACKS CEMENT*	SCREEN (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)
					2 3/8"	4858'	NONE

31. PERFORATION RECORD (Interval, size and number)

INTERVAL	SIZE	NUMBER
4882'-4900'	2 SPF	0.44 36
4998'-4508'	2 SPF	0.44 20
4314'-36'	2 SPF	0.44 44

32. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC.

DEPTH INTERVAL (MD)	
4882'-4900'	FRAC 40,000# 20/40/ SAND
4314'-36'	FRAC 50,000# 20/40/ SAND

PRODUCTION

DATE FIRST PRODUCTION 06/04/02		PRODUCTION METHOD (Flowing, gas lift, pumping--size and type of pump) FLOWING					WELL STATUS (Producing or shut-in) PRODUCING	
DATE OF TEST 06/04/02	HOURS TESTED 24	CHOKE SIZE 18	PROD'N. FOR TEST PERIOD →	OIL--BBL. 6.68	GAS--MCF. 1168	WATER--BBL. 41.75		GAS-OIL RATIO
FLOW. TUBING PRESS. 1020#	CASING PRESSURE 1150#	CALCULATED 24-HOUR RATE →	OIL-BBL. 6.68	GAS--MCF. 1168	WATER--BBL. 41.75		OIL GRAVITY-API (CORR.)	

34. DISPOSITION OF GAS (Sold, used for fuel, vented, etc.)

SOLD

TEST WITNESSED BY
IVAN SAIDLER

35. LIST OF ATTACHMENTS

36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records

SIGNED

TITLE

ADMINISTRATIVE ASSISTANT

DATE

10/7/2002

*(See Instructions and Spaces for Additional Data on Reverse Side)

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

OCT 10 2002

DIVISION OF
OIL GAS AND MINING

07-11-1964

37. SUMMARY OF POROUS ZONES: (Show all important zones of porosity and contents thereof; cored intervals, and all drill-stem, tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures, and recoveries);				38. GEOLOGIC MARKERS	
FORMATION	TOP	BOTTOM	DESCRIPTION, CONTENTS, ETC.	NAME	TOP
					MEAS. DEPTH
				WASATCH	TRUE VERT. DEPTH
					3503'
COPIES: BLM - VERNAL/ORIG. & 2 COPIES; DIV. OG&M - DALLAS 1 COPY;					

K.B.- 5640'
G.L.- 5626'**WELLHEAD
CASING HEAD
TUBING HEAD
UPPER TREE ASSY**9 5/8" SOW X 11" 3M
11" 3M X 7 1/16" 5M
2 1/6" 5M**CONDUCTOR
CEMENT**

TOP OF CEMENT @ SURFACE

SURFACE

SIZE 9 5/8"

JTS.	WT.	GRADE	CPLG.	AMT. SET
12	36#	K-55	ST&C	515'GL

**TOTAL CASING
FLOAT EQUIPMENT
MISC. EQUIPMENT
K.B. CORRECTION
DEPTH SET
CEMENT**515'GL
220sx "G" W/ 2% CaCl & .25#/sk Cello-Flake**PRODUCTION /
INTERMEDIATE**

SIZE 4 1/2"

JTS.	WT.	GRADE	CPLG.	AMT. SET
122	11.6#	N-80	LT&C	5060'

2 3/8" TBG LANDED @ 4858'

**TOTAL CASING
FLOAT EQUIPMENT
MISC. EQUIPMENT
K.B. CORRECTION
DEPTH SET
CEMENT 1st Stage
2nd Stage**

7 7/8" BIT @ 5060' FLOAT COLLAR @ 5020'

**LINER
SIZE****P.B.R. HANGER
MISC. EQUIPMENT
FLOAT EQUIPMENT
K.B. CORRECTION
DEPTH SET
CEMENT**14'
5060'
410sx "G" 2%GEL, 3%FL, 5%Halad-9, Micro/Cbl
470sx Lite, 35%poz, 6%gel, 3%salt, 1%ex-1, 50sxG
JTS. WT. GRADE CPLG. AMT. SET

JTS.	WT.	GRADE	CPLG.	AMT. SET
------	-----	-------	-------	----------

5/24/2002

PERFS 4314'- 36'

(FRAC W/ 50K SAND)

TUBING

SIZE 2 3/8"

JTS.	WT.	GRADE	CPLG.	AMT. SET
148	4.7#	J-55	EUE	4858'

5/21/2002

PERFS 4498'- 4508'

(NOT MUCH SHOW!)

TUBING DETAIL

5/15/2002

PERFS 4654'- 74' SQUEEZED W/ 75sx CEMENT

KB CORRECTION 14.00'

TUBING HANGER .80'

152 JTS 2 3/8" TBG 4805.00'

X- NIPPLE @ 4925' (1.875") .97'

1 JT 2 3/8" TBG 32.15'

XN- NIPPLE @ 4958' (1.791") 1.10'

2' PUP JT 2.02'

WEATHERFORD PUMP OFF SUB 2.35'

EOT @ 4858'

5/4/2002

PERFS 4882'- 4900'

(FRAC W/ 40K SAND)

4 1/2" CSG

HALLIBURTON OPEN HOLE LOGGING TOOL @ 5061'

P.B.T.D. 5020'

T.D. 5660'

4 1/2" CSG LANDED @ 5060' W/ 7 7/8" BIT ON BOTTOM

CONFIDENTIAL

ROSEWOOD RESOURCES, INC.

Daily Drilling Report

WELL NAME: ROCKHOUSE #33

DATE: 12/27/2001

Directional Well

DEPTH: 4833' GL'

PROPOSED TVD: 5689 MD'

PERFS:

Lease #: UTU-0778

Surface: SE NW SEC 11, T11S R23E

Downhole: NE NE SEC 11, T11S R23E

County: UINTAH UTAH

PACKER:

RBP:

CIBP:

EOT:

Engineer
ConsultantD. Widner
S. Miller

12/20/2001

		MIRU. BILL MARTIN JR RATHOLE RIG. SPUD @ 11:30 A.M. ON 12/18/01. DRILL 12 1/4" HOLE TO 100'.
		12/19/01: FINISH DRILLING 12 1/4" HOLE TO 515' GL & POOH
		RUN 12 JTS 9 5/8 36# K55 STC CSG. RU BIG 4 CEMENTERS. CEMENT CSG TO SURFACE
		W/ 220 SKS CLASS "G" W/ 2% CACL & 1/4 # PER SK FLOCELE

Daily cost \$31,689 cum. cost \$31,689

12/27/2001

0600	1800	MOVE RIG FROM ROCK HOUSE #32 LOCATION TO ROCK HOUSE #33.
1800	0600	DRY WATCH

Daily cost \$14,850 cum. cost \$647,23

12/28/2001

0600	1300	FINISH RIG UP
1300	1500	NU BOP'S
1500	2100	TEST BOP'S W/ SINGLE JACK TESTERS. (BLM NOTIFIED BUT DID NOT WITNESS TEST)
2100	2130	INSTALL WEAR BUSHING
2130	0200	P/U TOOLS & HWDP
0200	0600	DRLG CMT & SHOE

Daily cost \$17,210 cum. cost \$81,933

12/29/2001

0600	1430	DRLG 529'- 770'
1430	1800	TRIP FOR MWD EQUIP. REPAIR, TIH & ORIENT TOOLS
1800	0600	DRLG 770'- 1224'

Daily cost \$40,691 cum. cost \$122,624

12/30/2001

0600	0800	DRLG 1224'- 1288'
0800	0830	RIG SERVICE. FUNCTION TEST BOP'S
0830	0930	DRLG 1288'- 1330'
0930	1300	TRIP FOR MUD MOTOR
1300	1330	WASH 30' TO BOTTOM
1330	0600	DRLG 1330'- 1970'

Daily cost \$23,995 cum. cost \$146,619

CONFIDENTIAL

#####

0600	0800	DRLG 1970'- 2065'
0800	0830	INSTALL ROTATING HEAD RUBBER
0830	1600	DRLG 2065'- 2349' START MUD UP
1600	1630	RIG SERV.
1630	0100	DRLG 2349' TO 2600'
0100	0200	WORK TIGHT HOLE @ 2600'
0200	0600	DRLG 2600' TO 2729'

Daily cost \$21,871 cum. cost \$168,490

1/1/2002

0600	1700	DRLG 2729'- 3142'
1700	1730	RIG SERV.
1730	0600	DRLG 3142'-3569'

Daily cost \$22,830 cum. cost \$191,320

1/2/2001

0600	0830	DRLG 3569' TO 3649'
0830	0900	RIG SERV.
0900	1300	TRIP FOR BIT # 2 AT 3649'. ON TRIP IN WASH THRU BRIDGE AT 3265'
1300	1330	WASH TO BOTTOM 70'. NO FILL.
1330	0600	DRLG 3649' TO 4040'

Daily cost \$32,593 cum. cost \$223,913

1/3/2002

0600	1630	DRLG. 4040 TO 4283
1630	1700	RIG SER. FUNCTION TEST BOP'S
1700	0500	DRLG 4283 TO 4531
0500	0600	TRIP FOR MUD MOTOR.

TOP OF WASATCH: 3656'

SHOWS:

4100' - 4125' 1320 U

4320' - 4349' 3555 U

Daily cost \$21,953 cum. cost \$245,866

1/4/2001

0600	1200	TRIP FOR MUD MOTOR. TEST TOOLS. TRIP IN
1200	1230	WASH TO BOTTOM 60'
1230	1830	DRILLING 4531' TO 4633'
1830	1900	RIG SERVICE. FUNCTION TEST BOP'S
1900	0600	DRILLING 4633' TO 4833'

TOP OF WASATCH: 3656'

SHOWS:

4579' - 4588' 1909 U

4655' - 4680' 1037 U

Daily cost \$24,530 cum. cost \$270,396

CONFIDENTIAL

1/5/2002

0600	1400	DRLG 4833'- 4950'
1400	1430	RIG SERVICE. FUNCTION TEST BOP'S
1430	0600	DRLG 4950'- 5109'

TOP OF WASATCH: 3656'

SHOWS:

4888' - 4910'	2307 U
4928' - 4943'	1105 U
4983' - 5015'	1163 U
5049' - 5062'	690 U

Daily cost \$24,147 cum. cost \$294,543

1/6/2002

0600	1400	DRLG 5109'- 5204'
1400	1430	RIG SERVICE. FUNCTION TEST BOP'S
1430	1700	DRLG 5204'- 5235'
1700	2130	PUMP PILL. TRIP FOR BIT
2130	0130	P/U BIT #3 & MWD. TIH
0130	0200	WASH 40' TO BOTTOM. NO FILL
0200	0600	DRLG 5235'- 5275'

Daily cost \$29,012 cum. cost \$323,555

1/7/2002

0600	1600	DRLG 5275'- 5363'
1600	1630	RIG SERVICE. FUNCTION TEST BOP'S
1630	0600	DRLG 5363'- 5600'

TOP OF WASATCH: 3656'

SHOWS:

5302'- 5327'	1066 U
5480'- 5527'	3559 U
5527'- 5533'	1094 U
5535'- 5545'	1098 U
5546'- 5572'	1161 U

Daily cost \$24,445 cum. cost \$348,000

1/8/2002

0600	1000	DRLG FROM 5600' TO 5680'
1000	1100	CIRC FOR WIPER TRIP
1100	1230	10 STAND WIPER TRIP
1230	1400	CIRC FOR LOGS
1400	1600	TRIP OUT (SLM)
1600	2300	RU HALLIBURTON & RUN WIRELINE LOGS (TRIPLE COMBO) LOGGING TOOL STUCK ON BOTTOM
2300	0200	WAIT ON FISHING TOOLS
0200	0330	RU TO FISH WIRELINE. PICK UP FISHING TOOLS
0330	0600	WAIT ON FISHING TOOLS

Daily cost \$22,430 cum. cost \$370,430

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1/9/2002

0600	0700	WAIT ON FISHING TOOLS
0700	0800	P.U. SIDEDOOR OVERSHOT
0800	1130	TRIP IN TO BOTTOM
1130	1330	WORK OVERSHOT AND CLEAN HOLE
1330	1430	TRIP OUT 9 STANDS. WIRELINE PARTED 5 STANDS OUT
1430	1700	WORK TIGHT HOLE
1700	2130	WAIT ON FREE POINT
2130	0330	FREE PIONT AND AND ATTEMP TO BACK OFF @ 1325' AND 1355'
0330	0600	WORK TIGHT HOLE AND PULL 6 STANDS

Daily cost \$18,659 cum. cost \$389,089

1/10/2002

0600	0900	WORK STUCK PIPE
0900	1000	CIRC & COND MUD
1000	1330	WORK STUCK PIPE & RETRIEVE 280' WIRELINE
1330	1600	FREEPOINT WITH WEATHERFORD. STUCK @ 1206'
1600	1700	SLIP & CUT DRILL LINE
1700	1800	CUT OFF DP @ 1116'
1800	2100	PULL 60' OF PIPE. WORK STUCK PIPE
2100	2130	FREEPOINT WITH WEATHERFORD. STUCK @ 729'
2130	0330	L/D 2 JTS DP. P/U SURFACE JARS
0330	0600	JAR & L/D DP. BOTTOM OF FISH TO 899'

Daily cost \$20,598 cum. cost \$409,687

1/11/2002

0600	0930	JAR AND LAY DOWN DP (1 JOINT)
0930	1000	RIG SERVICE, CHECK DERRICK
1000	1530	JAR AND LAY DOWN DP (3 JOINTS)
1530	1700	TRIP OUT (8 STANDS)
1700	2000	L/D SURFACE JARS. P/U 4 DC. JARS. BUMPER SUB AND SPEAR.
2000	0600	MADE FOUR SPEAR RUNS (545', 1045', 1330', AND 1850') RECOVERING BROKEN CLUMPS OF LOGGERS WIRELINE. CHASE FISH DOWNHOLE.

Daily cost \$17,660 cum. cost \$406,749

1/12/2002

0600	1200	FISHING WIRELINE W/ SPEAR @ 1856'
1200	1600	P/U & RUN MAGNET
1600	1730	RERUN BIT #3
1730	2100	CIRC & COND HOLE
2100	2230	TRIP OUT
2230	0130	P/U & RUN SPEAR (NO RECOVERY)
0130	0330	P/U & RIH W/ OVERSHOT
0330	0400	LATCH ONTO FISH & PULL LOOSE
0400	0600	START OUT OF HOLE W/ TOOLS (WORKING PIPE THRU SPOTS)
		OVERSHOT @ 1381'

Daily cost \$38,071 cum. cost \$444,820

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1/13/2002

0600	1030	TRIP OUT W/ TOOLS & FISH
1030	1230	BREAK DOWN OVERSHOT, ACCELERATOR & CUT OFF DP
1230	1700	TRIP OUT W/ DP & OVERSHOT (RECOVERED ROPE SOCKET & FISHING NECK FROM LOGGING TOOLS)
1700	0600	MADE 3 SPEAR RUNS @ 1800', 2061' & 2240'. RECOVERED 100'+/- EACH RUN
		CURRENTLY FISHING @ 2339'

Daily cost \$18,190 cum. cost \$463,010

1/14/2002

0600	0930	SPEAR RUN @ 2339', 150' RECOVERY
0930	1400	SPEAR RUN @ 2625', 200' RECOVERY
1400	1430	RIG SERVICE, FUNCTION TEST BOPE
1430	2030	SPEAR RUN @ 2560', 200'
2030	2200	TRIP IN W/ SPEAR TO 2825'
2200	2300	CIRC & COND.
2300	0130	TRIP OUT W/ TOOLS & 1000' +/- WIRELINE
0130	0430	TRIP IN W/ SPEAR TO 3196'
0430	0600	CIRC & COND.

Daily cost \$50,838 cum. cost \$513,848

1/15/2002

0600	0830	TRIP OUT W/ SPEAR. NO RECOVERY
0830	1300	SPEAR RUN TO 3196'. NO RECOVERY
1300	1330	RIG SERVICE, FUNCTION TEST BOPE
1330	1800	P/U OVERSHOT & RIH TO 3196'. WASH & PUSH FISH TO 3568'
1800	1900	CIRC & COND. (8200 U)
1900	2200	TRIP OUT W/ OVERSHOT
2200	0300	SPEAR RUN TO 3568'. NO RECOVERY
0300	0600	TRIP IN W/ SPEAR TO 3568'. PUSH FISH TO 4210'
		BROKE THRU BRIDGE @ 4210'. PREP TO CIRCULATE

Daily cost \$21,428 cum. cost \$535,276

1/16/2002

0600	0700	CIRC AND CONDITION MUD
0700	2000	ATTEMPT TO TRIP OUT. STUCK AT 4306'. WORK TIGHT HOLE
2000	2100	RUN RADIAL TORCH AND LAY DOWN UNUSED
2100	0300	FREE POINT AND ATTEMPT TO BACK OFF @ 3638'. STUCK BETWEEN 3650' AND 3670'
0300	0600	TRIP OUT AND LAY DOWN 10 JOINTS HWD. BACKED OFF 3140'

Daily cost \$16,785 cum. cost \$552,061

1/17/2002

0600	1100	P/U FISHING TOOLS & RIH W/ DP. SCREW INTO FISH @ 3140'
1100	1530	WORK TO JAR FISH FREE
1530	1700	ATTEMPT MANUAL BACKOFF. FISH PARTED @ 3624'
1700	2100	TRIP OUT W/ TOOLS & FISH. (RECOVERED 18 JTS HWD. BOTTOM JT PARTED @ PIN END ABOVE UPSET)
2100	2300	TRIP IN W/ HWD & L/D
2300	2400	RIG SERVICE. C/S DRILL LINE
2400	0400	P/U OVERSHOT & RIH W/ DP
0400	0530	WASH TO FISH & SET GRAPPLE. HIT JARS 3 TIMES & OVERSHOT PULLED FREE
0530	0600	CIRC & PUMP PILL

Daily cost \$19,160 cum. cost \$571,221

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1/18/2002

0600	0630	TRIP OUT WITH OVERSHOT. NO RECOVERY
0830	1330	REDRESS OVERSHOT W/ 5 7/8" GRAPPLE. MAKE OVERSHOT RUN. NO RECOVERY. BROKE THE GRAPPLE
1330	1700	REDRESS OVERSHOT W/ 6" GRAPPLE & 30" SHOE WITH KUTRITE. TRIP IN TO 3624'
1700	1800	WASH AND MILL OVER FISH. SET OVERSHOT. HIT TWICE. FISH DROPPED OUT. RUN IN TO 3660'
1800	1830	RIG SERVICE. FUNCTION BOP
1830	2130	TRIP OUT W/ OVERSHOT. NO RECOVERY
2130	0300	L/D OVERSHOT. P/U SPEAR SPEAR & MAKE SPEAR RUN TO 3690'. 150' WIRE RECOVERY
0300	0600	TRIP IN AND WORK SPEAR @ 3682'

Daily cost \$23,953 cum. cost #####

1/22/2002

0600	0800	TRIP IN & WORK SPEAR @ 5001'
0800	1300	TRIP OUT W/ SPEAR. 40' WIRELINE RECOVERY
1300	1400	RIG SERVICE. FUNCTION BOPE
1400	1630	RIH W/ SPEAR TO 5001'
1630	2100	TRIP OUT W/ SPEAR. 4' WIRELINE RECOVERY
2100	2400	XO TOOLS, P/U OVERSHOT FOR LOGGING TOOL
2400	0230	TRIP IN W/ DP & TOOLS
0230	0600	WASH DOWN TO FISH & LATCH ON TO LOGGING TOOL WITH OVERSHOT. JAR ON FISH

Daily cost \$21,602 cum. cost \$692,445

1/23/2002

0600	0900	JAR ON FISH @ 5004'
0900	1230	TRIP OUT W/ DP & OVERSHOT. RECOVERED APPROXIMATELY HALF OF LOGGING TOOL
1230	1500	LAY DOWN LOGGING TOOL (TELEMETRY SUB, NGRT, DSN II & HALF OF SDLT. 18" ABOVE CALIPERS)
1500	1800	REDRESS OVERSHOT W/ 4 1/2" GRAPPLE & 60" SKIRT. RIH W/ DP & TOOLS
1800	1900	WASH DOWN AND LATCH ON TO FISH. FISH PULLED FREE @ 175K. UNABLE TO RELATCH ONTO FISH.
1900	2200	TRIP OUT W/ DP & TOOLS. NO RECOVERY
2200	0130	P/U BIT & TRIP IN W/ DP
0130	0400	WASH AND REAM TO TOP OF FISH @ 5061'
0400	0600	CIRC & COND MUD

Daily cost \$19,295 cum. cost \$711,740

1/25/2002

0600	0730	RUN 122 JTS 4 1/2" 11.6# N-80 LT&C CASING W/ 7 7/8" BIT RUN ON BOTTOM TO PROVIDE NON-DRILLABLE STOP ABOVE
		Ra SOURCE. CASING LANDED @ 5060'. DV STAGE TOOL @ 2807'
0730	0830	CIRC & RIG DOWN CASING CREW
0830	1030	R/U HALLIBURTON & CEMENT 1st STAGE W/ 410sx PREMIUM AG300, .3% CFR-3, .5% HALAD-9, 2% GEL, 2% MICRO-BOND
		1% SUPER CBL.
1030	1400	OPEN DV STAGE TOOL @ 2807' & CIRCULATE
1400	1500	CEMENT 2nd STAGE W/ 470sx HOWCOLITE CEMENT, 35% POZ, 6% GEL, 1% EX-1, 3% SALT & TAIL IN W/ 50sx NEAT CMT
		HAD GOOD RETURNS THROUGHOUT JOB. CEMENTED WELL TO SURFACE.
1500	1630	N/D BOPE & SET SLIPS W/ 80K
1830	2230	CLEAN MUD PITS
2230	0600	PREP TO RDMO RIG

Daily cost \$72,771 cum. cost \$806,292

4/24/2002

MIRU K&S WELL SERVICE RIG #1. N/D WELLHEAD & N/U BOP'S. P/U 3 7/8" BIT, 4 1/2" CSG SCRAPER & RIH W/ 86 JTS- 2 3/8" TBG. TAG CMT @ 2780'. R/U STRIPPING HEAD & POWER SWIVEL. SION

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RIH W/ 60 JTS- 2 3/8" TBG. TAG CMT @ 2700'. R/D STRIPPING HEAD & POWER SWIVEL. SION

Daily cost \$5,730 cum. cost \$1,070,945

4/25/2002

DRILL 30' CMT & DV TOOL @ 2810'. PRESSURE TEST CSG TO 2500#. HELD OK! RIH W/ TBG & TOOLS TO PBTD @ 5020'. DISPLACE WELL W/ 3% KCL WATER. POOH W/ TBG, CSG SCRAPER & BIT. SION

Daily cost \$3,595 cum. cost \$1,074,540

4/26/2002

R/U SCHLUMBERGER. RUN DIPOLE SONIC COMPENSATED NEUTRON LOG FROM 5001' TO SURFACE. R/D WIRELINE UNIT. SION

Daily cost \$12,285 cum. cost \$1,086,925

5/3/2002

R/U SCHLUMBERGER. RUN CASED HOLE FORMATION RESISTIVITY LOG ACROSS 6 INTERVALS FROM 3740' TO 4915'. R/D WIRELINE UNIT. P/U XN-NIPPLE & RIH W/ 2 3/8" TBG TO 4500'. R/U & SWAB WELL DOWN TO 4000'. POOH W/ TBG & NIPPLE. SION

Daily cost \$4,460 cum. cost \$1,091,385

5/4/2002

R/U SCHLUMBERGER. RIH W/ 3 3/8" CSG GUNS & PERFORATE INTERVAL 4882'- 4900', 2 SPF, 36 HOLES TOTAL. CSG PRESSURED TO 18#. R/D WIRELINE UNIT. OPEN WELL TO TANK ON 2" CHOKE. WELL BLEW STEADY GAS FOR 90 MIN BUT RECOVERED NO FLUID. INSTALL 18/64 CHOKE & FLOW FOR 1 HR. FCP 65# (EST 88 MCFD FLOW RATE) P/U NOTCHED COLLAR, 2' PUP JT, XN-NIPPLE, 1 JT TBG, X-NIPPLE & RIH W/ 150 JTS 2 3/8". LAND TBG IN SLIPS @ 4884'. FILL HOLE W/ 3% KCL WATER. BREAK DOWN PERFS W/ RIG PUMP. ZONE BROKE @ 2200#, AVG 2 BPM @ 1700#, ISIP 1000# (.61 FRAC GRAD) R/U & SWAB WELL. MADE 3 RUNS & RECOVERED 25 BBLS WATER. WELL FLOWED BACK AN ADDITIONAL 38 BBLS. (63 BBLS TOTAL) SION

Daily cost \$20,500 cum. cost \$1,111,885

5/5/2002

CHECK PRESSURES. 1680# SITP & SICP. OPEN WELL TO TANK ON 32/64 CHOKE FOR 2 HRS. FTP @ 60# & SICP 70# (EST 334 MCFD FLOW RATE) INSTALL 24/64 CHOKE & FLOW FOR 1 HR. FTP @ 100# & SICP 100# (EST 311 MCFD FLOW RATE) INSTALL 22/64 CHOKE & FLOW FOR 1 HR. FTP @ 110# & SICP 120# (EST 287 MCFD FLOW RATE) INSTALL 20/64 CHOKE & FLOW FOR 1 HR. FTP @ 130# & SICP 140# (EST 279 MCFD FLOW RATE) INSTALL 18/64 CHOKE & FLOW FOR 1 HR. FTP @ 150# & SICP 160# (EST 260 MCFD FLOW RATE) INSTALL 16/64 CHOKE & FLOW FOR 1 HR. FTP @ 170# & SICP 180# (EST 232 MCFD FLOW RATE) RECOVERED NO FLUID TODAY. SION

Daily cost \$3,030 cum. cost \$1,114,915

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5/7/2002

CHECK PRESSURES. 1700# SITP & 1720# SICP. OPEN WELL TO TANK ON 32/64 CHOKE FOR 2 HRS. FTP @ 60# & SICP 70# (EST 334 MCFD FLOW RATE) INSTALL 24/64 CHOKE & FLOW FOR 1 HR. FTP @ 100# & SICP 100# (EST 311 MCFD FLOW RATE) INSTALL 22/64 CHOKE & FLOW FOR 1 HR. FTP @ 110# & SICP 120# (EST 287 MCFD FLOW RATE) INSTALL 20/64 CHOKE & FLOW FOR 1 HR. FTP @ 130# & SICP 140# (EST 279 MCFD FLOW RATE) INSTALL 18/64 CHOKE & FLOW FOR 1 HR. FTP @ 150# & SICP 160# (EST 260 MCFD FLOW RATE) INSTALL 16/64 CHOKE & FLOW FOR 1 HR. FTP @ 170# & SICP 180# (EST 232 MCFD FLOW RATE) RECOVERED NO FLUID TODAY. SION

Daily cost \$3,030 cum. cost \$1,117,945

5/8/2002

CHECK PRESSURES. 1700# SITP & 1720# SICP. OPEN WELL TO TANK ON 32/64 CHOKE FOR 2 HRS. FTP @ 60# & SICP 70# (EST 334 MCFD FLOW RATE) INSTALL 24/64 CHOKE & FLOW FOR 1 HR. FTP @ 100# & SICP 100# (EST 311 MCFD FLOW RATE) INSTALL 22/64 CHOKE & FLOW FOR 1 HR. FTP @ 110# & SICP 120# (EST 287 MCFD FLOW RATE) INSTALL 20/64 CHOKE & FLOW FOR 1 HR. FTP @ 130# & SICP 140# (EST 279 MCFD FLOW RATE) INSTALL 18/64 CHOKE & FLOW FOR 1 HR. FTP @ 150# & SICP 160# (EST 260 MCFD FLOW RATE) INSTALL 16/64 CHOKE & FLOW FOR 1 HR. FTP @ 170# & SICP 180# (EST 232 MCFD FLOW RATE) RECOVERED NO FLUID TODAY. OPEN WELL ON 2" CHOKE. POOH W/ 2 3/8" TBG & TOOLS. SION

Daily cost \$3,195 cum. cost \$1,121,140

5/9/2002

CHECK PRESSURE. SICP 1800# R/U HALLIBURTON & FOAM FRAC INTVL 4882'-4900' W/ 70Q N2 25# — DELTA GEL & 40,000# 20/40 SAND. AVG RATE 25 BPM, AVG PSI 3600#, MAX RATE 25 BPM, MAX PSI 3780#. ISIP 1940# 15 MIN 1532#. HAVE 313 BBLS TO RECOVER. R/D PUMP EQUIPMENT & SHUT IN WELL FOR 2 HRS. SICP 860# OPEN WELL TO TANK ON 16/64 CHOKE. FLOW WELL ON VARIOUS CHOKES THROUGHOUT THE NIGHT. WELL CURRENTLY FLOWING ON 22/64 CHOKE. FCP @ 860# HAVE RECOVERED 171 BBLS FLUID. HAVE 142 BLTR. CONTINUE FLOWING WELL.

Daily cost \$55,770 cum. cost \$1,176,910

5/10/2002

WELL FLOWING TO TANK. INSTALL 24/64 CHOKE & FLOW FOR 5 HRS. FCP @ 700# (EST 2175 MCFD FLOW RATE) RECOVERED 26 BBLS FLUID. INSTALL 28/64 CHOKE & FLOW FOR 4 HRS. FCP @ 550# (EST 2337 MCFD FLOW RATE) RECOVERED 11 BBLS FLUID. HAVE RECOVERED 209 BBLS FROM TREATMENT. HAVE 104 BBLS LEFT TO RECOVER. SION

Daily cost \$4,810 cum. cost \$1,181,720

5/11/2002

CHECK PRESSURE. 1400# SICP. OPEN WELL TO TANK ON 32/64 CHOKE FOR 3 HRS. FCP @ 500# (EST 2785 MCFD FLOW RATE) INSTALL 28/64 CHOKE & FLOW FOR 5 HRS. FCP @ 520# (EST 2209 MCFD FLOW RATE) RECOVERED 38 BBLS FLUID TODAY. HAVE 66 BBLS LEFT TO RECOVER. SION

Daily cost \$3,195 cum. cost \$1,184,915

5/12/2002

CHECK PRESSURE. 1400# SICP. OPEN WELL TO TANK ON 32/64 CHOKE FOR 7 HRS. FCP @ 400# (EST 2228 MCFD FLOW RATE) RECOVERED 34 BBLS FLUID TODAY. HAVE 32 BBLS LEFT TO RECOVER. SION

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2226 MCFD FLOW RATE) RECOVERED 34 BBLS FLUID TODAY. HAVE 32 BBLS LEFT TO RECOVER. SION

Daily cost \$3,030 cum. cost \$1,187,945

5/14/2002

CHECK PRESSURE. 1520# SICP. R/U SCHLUMBERGER SLICKLINE UNIT. RIH W/ TANDEM BHP BOMBS. TAG SAND @ 4915'. MAX BHP 1780# R/D SLICKLINE UNIT. OPEN WELL TO TANK ON 2" CHOKE FOR 90 MIN. FCP @ 100#. R/U SCHLUMBERGER WIRELINE UNIT. RIH & SET COMPOSITE BRIDGE PLUG @ 4780'. PRESSURE TEST CSG & TOOLS TO 2500#. HELD OK! R/D WIRELINE. P/U XN-NIPPLE & RIH W/ 147 JTS 2 3/8" TBG TO 4755'. R/U & SWAB WELL DOWN TO 4000'. SION

Daily cost \$10,840 cum. cost \$1,198,785

5/15/2002

0# SIP. POOH W/ 2 3/8" TBG & TOOLS. R/U SCHLUMBERGER. RIH W/ 3 3/8" CSG GUNS & PERFORATE INTERVAL 4654'-74', 2 SPF, 40 HOLES TOTAL. R/D WIRELINE UNIT. WELL HAS SLIGHT BLOW BUT WILL NOT UNLOAD FLUID. P/U NOTCHED COLLAR, 2' PUP JT, XN-NIPPLE, 1 JT TBG, X-NIPPLE & RIH W/ 142 JTS TBG. EOT @ 4625'. R/U & SWAB WELL. IFL @ 3300'. MADE 20 RUNS & RECOVERED 46 BBLS WATER. FFL @ 4400'. SICP 160#. SION

Daily cost \$3,480 cum. cost \$1,202,265

5/16/2002

CHECK PRESSURES. 560# SITP & 840# SICP. WELL BLEW DEAD IMMEDIATELY. R/U & SWAB WELL. IFL @ 1800'. MADE 17 RUNS & RECOVERED 49 BBLS WATER. FFL @ 4100'. EST 6 BBLS/HR FLUID ENTRY. SION

Daily cost \$3,480 cum. cost \$1,202,265

5/17/2002

CHECK PRESSURES. 420# SITP & 920# SICP. FILL HOLE & CIRCULATE W/ 3% KCL WATER. PUMP INTO PERFS W/ RIG PUMP. ZONE BROKE @ 2500# AVG 2 BPM @ 1600#. POOH W/ TBG & TOOLS. P/U CEMENT RETAINER & RIH W/ 142 JTS TBG. SET RETAINER @ 4588'. TEST TBG & TOOLS TO 2500# HELD OK! R/U HALLIBURTON & SQUEEZE INTERVAL 4654'-74' W/ 75sx CLASS "G" CEMENT W/ .3% HALAD 344 & .2% CFR-3 TO 2000#. STING OUT OF RETAINER & REVERSE OUT 1 BBL CMT. PULL TBG TO 4527'. DISPLACE WELL W/ 3% KCL WATER. R/D PUMP EQUIPMENT. SDFN

Daily cost \$16,805 cum. cost \$1,222,100

5/21/2002

CHECK PRESSURES. SITP & SICP 0# PRESSURE TEST CSG TO 2500#. HELD OK! SWAB WELL DOWN TO 3100'. POOH W/ TBG & TOOLS. R/U SCHLUMBERGER. RIH W/ 3 3/8" CSG GUN & PERFORATE INTERVAL 4498'-4508', 2 SPF, 20 HOLES TOTAL. R/D WIRELINE. SAW NO PRESSURE INCREASE. P/U NOTCHED COLLAR, 2' PUP JT, XN-NIPPLE, 1 JT TBG, X-NIPPLE & RIH W/ 138 JTS TBG. LAND TBG IN SLIPS @ 4496'. R/U & SWAB WELL. IFL @ 2900'. MADE 11 CONSECUTIVE RUNS & 2-30 MIN RUNS. RECOVERED 20 BBLS WATER W/ VERY SLIGHT SHOW OF GAS. FFL @ 4200' SION

Daily cost \$6,835 cum. cost \$1,228,935

5/22/2002

CHECK PRESSURES. SITP 10# & SICP 70# R/U & SWAB WELL. FL @ 4000' MADE 2 CONSECUTIVE RUNS & 1 -30 MIN RUN & RECOVERED 3.5 BBLS WATER. R/U & BREAK DOWN PERFS W/ RIG PUMP

RUNS & 1-30 MIN RUN & RECOVERED 3.5 BBLS WATER. R/U & BREAK DOWN PERFS W/ RIG PUMP USING 3% KCL WATER. ZONE BROKE @ 2500# AVG 2.5 BPM @ 2300# ISIP 1500# (.73 FRAC GRAD) USED 70 BBLS WATER TO FILL HOLE & PUMP INTO PERFS. R/U & SWAB WELL. MADE 11 CONSECUTIVE RUNS & 6-30 MIN RUNS. RECOVERED 67 BBLS WATER. HAVE 3 BLTR. FFL @ 4300' SION

Daily cost \$3,250 cum. cost \$1,232,185

5/23/2002

CHECK PRESSURES. SITP 20# & SICP 180# R/U & SWAB WELL. FL @ 3900' MADE 2 CONSECUTIVE RUNS & 5-HOURLY RUNS & RECOVERED 5 BBLS WATER. R/D SWAB EQUIPMENT. POOH W/ 2 3/8" TBG & TOOLS. R/U SCHLUMBERGER. RIH W/ COMPOSITE BRIDGE PLUG & SET @ 4470'. PRESSURE TEST CSG & PLUG TO 2500#. HELD OK! R/D WIRELINE. SION

Daily cost \$3,250 cum. cost \$1,232,185

5/24/2002

RIH W/ 137 JTS 2 3/8" TBG & XN-NIPPLE. R/U & SWAB WELL DOWN TO 3800'. POOH W/ TBG & NIPPLE. R/U SCHLUMBERGER. RIH W/ 3 3/8" CSG GUNS & PERFORATE INTERVAL 4314'-36', 2 SPF, 44 HOLES TOTAL. WELL PRESSURED TO 820#. OPEN WELL ON 2" CHOKE FOR 1 HR & RECOVERED 8 BBLS WATER. INSTALL 32/64 CHOKE & FLOW FOR 1 1/2 HRS. FCP @ 450# INSTALL 24/64 CHOKE & FLOW FOR 1 HR. FCP @ 690# RECOVERED NO ADDITIONAL FLUID. SION

Daily cost \$10,120 cum. cost \$1,245,585

5/25/2002

CHECK PRESSURE. SICP 1550# FLOW WELL TO TANK ON 32/64 CHOKE FOR 2 HRS. FCP @ 410# INSTALL 24/64 CHOKE & FLOW FOR 1.5 HRS. FCP @ 690# INSTALL 22/64 CHOKE & FLOW FOR 1.5 HRS. FCP @ 810# INSTALL 20/64 CHOKE & FLOW FOR 1 HR. FCP @ 880# R/U SCHLUMBERGER & RIH W/ TANDEM BHP BOMBS TO 4325'. CONTINUE FLOWING WELL FOR 1 HR W/ BOMBS IN HOLE. SHUT WELL IN FOR BUILD UP TEST. RECOVERED NO FLUID DURING TODAYS TESTS.

Daily cost \$3,110 cum. cost \$1,248,695

5/29/2002

CHECK PRESSURE. SICP 1500# POOH W/ SLICKLINE & BHP BOMBS. MAX BHP 1723#. R/D SLICKLINE UNIT. FLOW WELL TO TANK ON 32/64 CHOKE FOR 2 HRS. FCP @ 380# INSTALL 24/64 CHOKE & FLOW FOR 1.5 HRS. FCP @ 630# INSTALL 20/64 CHOKE & FLOW FOR 2 HRS. FCP @ 860# INSTALL 18/64 CHOKE & FLOW FOR 1.5 HRS. FCP @ 940# INSTALL 16/64 CHOKE & FLOW FOR 1 HR. FCP @ 1010# RECOVERED NO FLUID DURING TODAYS TEST. SION

Daily cost \$6,615 cum. cost \$1,255,330

5/30/2002

CHECK PRESSURE. SICP 1500# R/U BJ SERVICES & FOAM FRAC INTERVAL 4314'-36' W/ 70Q N2 FOAM & 50K 20/40 FRAC SAND. AVG RATE 24 BPM, AVG PSI 3200#, MAX RATE 25.5 BPM, MAX PSI 3370#. ISIP 3110# 5 MIN 2990# 10 MIN 2970# 15 MIN 2950#. HAVE 260 BBLS FLUID TO RECOVER FROM FRAC. R/D PUMP EQUIPMENT & SHUT WELL IN FOR 2 HRS. SICP 2250# OPEN WELL TO TANK ON 16/64 CHOKE. FLOW BACK WELL THROUGHOUT THE NIGHT ON VARIOUS CHOKES & RECOVERED 74 BBLS WATER. WELL CURRENTLY FLOWING THRU 22/64 CHOKE @ 1125# (EST 2912 MCFD FLOW RATE) HAVE 186 BLTR FROM TREATMENT. CONTINUE FLOWING WELL.

Daily cost \$58,405 cum. cost \$1,313,735

5/31/2002

CONTINUE FLOW BACK AFTER FRAC. INSTALL 24/64 CHOKE & FLOW FOR 1.5 HRS. FCP @ 1100# (EST 3418 MCFD FLOW RATE) INSTALL 32/64 CHOKE & FLOW FOR 1.5 HRS. FCP @ 1000# (EST 5571 MCFD FLOW RATE) INSTALL 28/64 CHOKE & FLOW FOR 1.5 HRS. FCP @ 1025# (EST 4355 MCFD FLOW RATE) INSTALL 20/64 CHOKE & FLOW FOR 1 HR. FCP @ 1150# (EST 2469 MCFD FLOW RATE) RECOVERED 13 BBLS FLUID DURING TODAY'S TEST. HAVE 173 BLTR. SION

Daily cost \$3,275 cum. cost \$1,317,010

6/1/2002

CHECK PRESSURE. SICP 400#. OPEN WELL ON 2" CHOKE & FLOW FOR 1 HR. RECOVERED 4 BBLS WATER. INSTALL 32/64" CHOKE & FLOW FOR 2 HRS. FCP @ 1000#. (EST 5571 MCFD FLOW RATE) INSTALL 24/64" CHOKE & FLOW FOR 1.5 HRS. FCP @ 1025# (EST 3185 MCFD FLOW RATE) INSTALL 22/64" CHOKE & FLOW FOR 1.5 HRS. FCP @ 1050# (EST 2764 MCFD FLOW RATE) INSTALL 20/64" CHOKE FLOW FOR 1 HR. FCP @ 1075# (EST 2308 MCFD FLOW RATE) INSTALL 18/64" CHOKE & FLOW FOR 1 HR. FCP @ 1100# (EST 1907 MCFD FLOW RATE) HAVE 169 BLTR FROM FRAC. SION.

Daily cost \$3,335 cum. cost \$1,320,345

6/4/2002

CHECK PRESSURE. SICP 1450#. OPEN WELL ON 2" CHOKE & FLOW FOR 1 HR. LOAD CSG W/ 70 BBLS 3% KCL WATER. P/U 3 7/8" BIT, PUMP OFF SUB, 2" PUP JT, XN-NIPPLE, 1 JT TBG, X-NIPPLE & STRIP IN HOLE W/ 135 JTS TBG. TAG SAND @ 4394'. CLEAN OUT SAND & DRILL OUT COMPOSITE BRIDGE PLUG @ 4470' W/ AIR FOAM UNIT. RIH & DRILL OUT CEMENT RETAINER @ 4588' & CEMENT TO 4684'. RIH & DRILL OUT COMPOSITE BRIDGE PLUG @ 4780'. CIRC WELL CLEAN. SION

Daily cost \$10,155 cum. cost \$1,330,500

6/5/2002

CHECK PRESSURE. SICP 1400#. OPEN WELL TO PIT ON 32/64 CHOKE. RIH W/ TBG & TAG SAND @ 4956'. CIRC & CLEAN OUT SAND TO PBTD (5020') POOH TO DART VALVE & REMOVE. RIH & LAND TBG ON HANGER @ 4857'. N/D BOP'S & N/U WELLHEAD. PUMP OFF BIT & CLEAN UP WELL. RDMO COMPLETION RIG. PUT WELL ON PRODUCTION @ 3:00 PM 6-04-02

Daily cost \$7,805 cum. cost \$1,338,305

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 1993

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reenter a different reservoir.

Use "APPLICATION FOR PERMIT -" for such proposals

5. Lease Designation and Serial No.

UTU-0778

6. If Indian, Allottee or Tribe Name

7. If Unit or CA, Agreement Designation

ROCKHOUSE

8. Well Name and No.

33

9. API Well No.

43-04734372

10. Field and Pool, or Exploratory Area

ROCKHOUSE

11. County or Parish, State

UINTAH, UT

SUBMIT IN TRIPLICATE

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator

ROSEWOOD RESOURCES, INC.

3. Address and Telephone No.

P.O. Box 1668 Vernal, Utah 84078 (435)789-0414

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

1545' FNL 1964' FWL SE NW SEC 11, T11S R: (SURFACE)
880' FNL 1225' FEL NE NE SEC 11, T11S R23E SLB&M (DOWNHOLE)

12. CHECK APPROPRIATE BOX(es) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

☐ Notice of Intent
☐ Subsequent Report
☐ Final Abandonment Notice

TYPE OF ACTION

☐ Abandonment
☐ Recompletion
☐ Plugging Back
☐ Casing Repair
☐ Altering Casing
☒ Other Disposal Method
☐ Change of Plans
☐ New Construction
☐ Non-Routine Fracturing
☐ Water Shut-Off
☐ Conversion to Injection
☐ Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

Rosewood Resources, Inc. requests approval that any produced water from the above mentioned well be disposed of by method of trucking to our Atchee SWD Well EPA Permit Number UT2871-04527 and disposing of water per regulation.

Please call with any concerns.

Thank You,

Jill Henrie

Rosewood Resources, Inc.

(435) 789-0414 x 10

Accepted by the
Utah Division of
Oil, Gas and Mining
FOR RECORD ONLY

COPIES: ORIG. & 2-BLM; DIV. OG&M

14. I hereby certify that the foregoing is true and correct

Signed Jill Henrie Title Admin. Assistant Date 05/07/04

(This space for Federal or State office use)

Approved by _____ Title _____ Date _____

Conditions of approval, if any:

RECEIVED
MAY 13 2004